ONE
LIFE

SOLVENCY & FINANCIAL CONDITION REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

THE ONELIFE COMPANY S.A.

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EXECUTIVE SUMMARY

The **OneLife Group** (the Group or OneLife) is composed of **The OneLife Holding S.à r.l.** (the Parent Company) and its subsidiary, **The OneLife Company S.A.** (the Company). It is an insurance group whose sole and only insurance entity as of 31 December 2019 is **The OneLife Company S.A.** (the Company), an insurance company licenced in Luxembourg.

This is the Fourth **Solvency & Financial Condition Report** (SFCR) provided by the Company under the Delegated Regulation (UE) 2015/35 from the European Commission dated 10 October 2014, completing the European Parliament and Council Directive on the business of Insurance and Reinsurance (Solvency II). The current SFCR covers the period from 1 January 2019 until 31 December 2019 (the **Reporting Period**).

When applicable, a summary of material changes since last SFCR issued is included in the current report. When required to justify significant variances from one year to another that result from the Merger (refer to subsequent disclosure), APICIL Life S.A. figures are extracted from its audited annual accounts for the year ended 31 December 2018.

The purpose of the SFCR is to satisfy the reporting requirement to the ***Commissariat aux Assurances*** (CAA or Regulator) under the EU wide regulatory regime for insurance companies, known as Solvency II. This regime requires reporting and disclosure arrangements to be put in place by insurers and some of that is required to be public and published on the Company's public website as the current SFCR while another document required is purely issued to the CAA (referring to a specific apart confidential report- **Regular Supervisor Report** – RSR).

The elements of the disclosure relate to business performance, governance, risk profile, solvency and capital management. The ultimate Administrative Body that has the responsibility for all these matters is the **Company's Board of Directors** (BoD) with the support of various governance and control functions that it has put in place to monitor and manage the business.

In a letter dated 14 December 2016, the Regulator has exempted OneLife from Group reporting for Solvency purposes. Accordingly, the sole entity having to produce such report is the Company and our report is produced considering that entity on a stand-alone basis.

With regards to the business and performance, profits have been generated by the core insurance activities in conjunction with strict cost controls. It resulted in a profit in 2019 of 1.8 M EUR (2018: 5.2 M EUR).

With regards to the system of governance, the Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business. The different elements of the risk profile are assessed with a solid risk management methodology that requires intervention of all parties of the Company in order to ensure a complete picture including under simulated stress scenarios.

The Company exclusively applies the Standard Formula to determine its **Solvency Capital Requirements** (SCR), without using simplified calculations and without using undertaking-specific parameters and has described the valuation methods used in section 5. As at 31 December 2019, the Group's sole reporting entity, The OneLife Company S.A., post-dividend solvency II ratio is 139% (2018 - 154%)

The tiering of basic own funds allows for the following split:

	2019	2018
Tier 1 Unrestricted	96.1 %	94.6%
Tier 1 Restricted	3.9 %	5.4%
Tier 2	N/A	N/A

SCR of the Company are concentrated on Market risk (equity, spread and currency risk) and on life underwriting risk (lapse risk, collection EURO Funds Versus Unit linked and expense risk).

Finally, the Company complied with its SCR and **Minimum Capital Requirement** (MCR) throughout the Reporting Period and the Company does not foresee a risk of non-compliance with its SCR or MCR during its business planning horizon.

Significant business or other events

In 2018, OneLife announced that agreement had been reached between funds advised by J.C. Flowers & Co. LLC (the Ultimate Shareholder of OneLife) and the **APICIL Group** (APICIL) in France for the sale of the OneLife Group to APICIL Prévoyance (*Institution de Prévoyance de droit Français*). **On 2 January 2019**, OneLife confirmed that the transaction was complete and that OneLife was part of APICIL.

Since 26 November 2019, OneLife is owned by APICIL Prévoyance and by APICIL Epargne S.A. (a company incorporated in France) which is entirely owned by APICIL Prévoyance.

On 30 December 2019, the Parent Company received from APICIL Epargne S.A. all the shares of **APICIL Life S.A**. ("APICIL Life"), a life insurance company incorporated in the Grand Duchy of Luxembourg under Luxembourg law as a Société Anonyme and registered with the Luxembourg Trade and Companies Register under Number B 160.699. These shares were brought as a contribution in kind for a capital increase at the level of the Parent Company.

On 30 December 2019, the Company and APICIL Life merged through the Company absorbing APICIL Life with effective accounting date as of 1 January 2019. The Merger project was approved by the Company's Board of Directors on 12 April 2019, published in the "Recueil Electronique des Sociétés et Associations" on 12 November 2019, approved by the Commissariat aux Assurances on 19 December 2019 and by the Parent Company's Extraordinary General Meeting on 30 December 2019. The Merger was ratified by the Extraordinary General Meetings of shareholders of APICIL Life and the Company on 30 December 2019.

Since 2002, APICIL Life had a branch located in Tour de Lyon, 185 rue de Bercy, 75012 Paris (France). On 23 October 2019, the Company established a branch under registration number 878 395 169 R.C.S. Paris and located in 51 Rue de Londres, 75008 Paris (France). All activities of APICIL Life's branch were transferred to the Company's branch at the time of the Merger and APICIL Life's branch ceased to exist.

Since 31 December 2019, there were no significant business or other events that occurred during the period until reporting that had a material impact on the Company or that could affect the reported figures or comments covered by this report.

Nevertheless, it is expected that the Covid-19 crisis will have an important impact on our 2020 operations and performance. The operational aspects have been adequately managed and are under control as of the date of this report. The market shocks are part of the risk management framework analysis performed on a regular basis.

Luxembourg, 7 April 2020

Antonio CORPAS
Chief Executive Officer

Philippe BARRET
Chairman of the Board of Directors

1. INTRODUCTION

1.1 - List of abbreviations & used terms

AML/CFT	Anti-Money Laundering / Combat against Financing Terrorism
APICIL Epargne	APICIL Epargne S.A. (Société de droit français)
APICIL Life	APICIL Life S.A. (Société d'assurance de droit luxembourgeois)
APICIL Prévoyance	APICIL Prévoyance (Institution de Prévoyance de droit français)
ARCC	Audit, Risk and Compliance Committee
BEL	Best Estimate Liability
BSCR	Basic Solvency Capital Requirement
Board or BoD	Refers to The OneLife Company S.A. Board of Directors unless specified otherwise
Company	The OneLife Company S.A. (Société d'assurance de droit luxembourgeois)
CAA	Commissariat aux Assurances – Regulator of insurance companies in Luxembourg
CAC	Client Acceptance Committee
CEO:	Chief Executive Officer- Delegate to the Daily Management
CF	Control Function
DF or Dedicated Funds	Unit-linked life insurance policies, capital redemption bonds and/or pension plans linked to an individual investment fund whose assets are managed according to the investment strategy selected by the Policyholder(s).
ERM	Enterprise Risk Management
GEC or Exco	Group Executive Committee
GDPR	General Data Protection Regulation
Group	Refers to The OneLife Group composed of The OneLife Holding S.à r.l. and its subsidiary, The OneLife Company S.A.
HNWI	High Net Worth Individuals
HR	Human Resources department
HRRC	Human Resources and Remuneration Committee
Iberia	Iberian Peninsula composed of Spain & Portugal
IC	Investment Committee
ICA	In Collective Bargaining Agreement
MCR:	Minimum Capital Requirement
Merger	The merger between APICIL Life S.A. and the Company that was ratified on 30 December 2019 with effective accounting date 1 January 2019
MLRO	Money Laundering Reporting Officer
NGC	Nomination & Governance Committee
NRGC	Nomination, Remuneration & Governance Committee
OLC	The OneLife Company

OLH	The OneLife Holding S.à r.l.
OneLife	Also referred to as the Group
ORSA	Own Risk and Solvency Assessment
Parent Company	The OneLife Holding S.à r.l.
PVFP	Present Value of Future Profits
QRT	Quantitative Reporting Template
RCC	Risk & Control Committee
RED	Risk Event Data
REM	Risk Exposure Monitoring
RM	Risk Margin
Reporting Period	The period from 1 January 2019 until 31 December 2019
RSR	Regular Supervisory Report (addressed to the Regulator once approved by the BoD)
SCR	Solvency Capital Requirement
SFC	Solvency and Financial Condition Report (for publication on the Company's website)
SLA	Service Level Agreement
SMIR	Système de Management Intégré des Risques
SMP	Senior Management Position
T&L	Tax & Legal Department
ToR	Terms of Reference
UK	United Kingdom

1.2 - Scope and corporate structure

This SFCR is prepared in accordance with requirements derived from the **Regulation (EU) N° 1094/2010 of the European Parliament and of the Council** (hereafter "EIOPA Regulation") in connection with reporting on Solvency & Conditions Reports to the CAA for the regulated Company, The OneLife Company S.A. In accordance with the requirement of the Directive 2009/138/EC ("Solvency II Directive"), all the insurance and reinsurance undertakings should provide some information to the supervisory authorities in the RSR and should publicly disclose some information in the SFCR. All undertakings have to disclose on an annual basis, a report on their solvency and financial condition in which qualitative and quantitative information on business, performance, system of governance, risk profile, valuation for solvency purposes and capital management should be provided or described.

The Company is a life insurance company incorporated in the Grand Duchy of Luxembourg under Luxembourg law as a *Société Anonyme* on 26 June 1990 and registered with the Luxembourg Trade and Companies Register under number B 34402. This report is based on the Company's audited financial statements for the years ended 31 December 2019. The comparative figures presented for the year ended 31 December 2018 are also audited. When required to justify significant variances from one year to another that result from the Merger (refer to subsequent disclosure), APICIL Life figures are extracted from its audited annual accounts for the year ended 31 December 2018.

The Company is authorised by the CAA to provide life insurances, annuities, pensions and retirement benefits, and reinsurance operations or business of similar nature, and to conduct investment and real estate activity relating to the principal objective. The Company sources and administers its business through its head office in Luxembourg and through distribution partnerships in Luxembourg and other EU countries as well as via its branch in France.

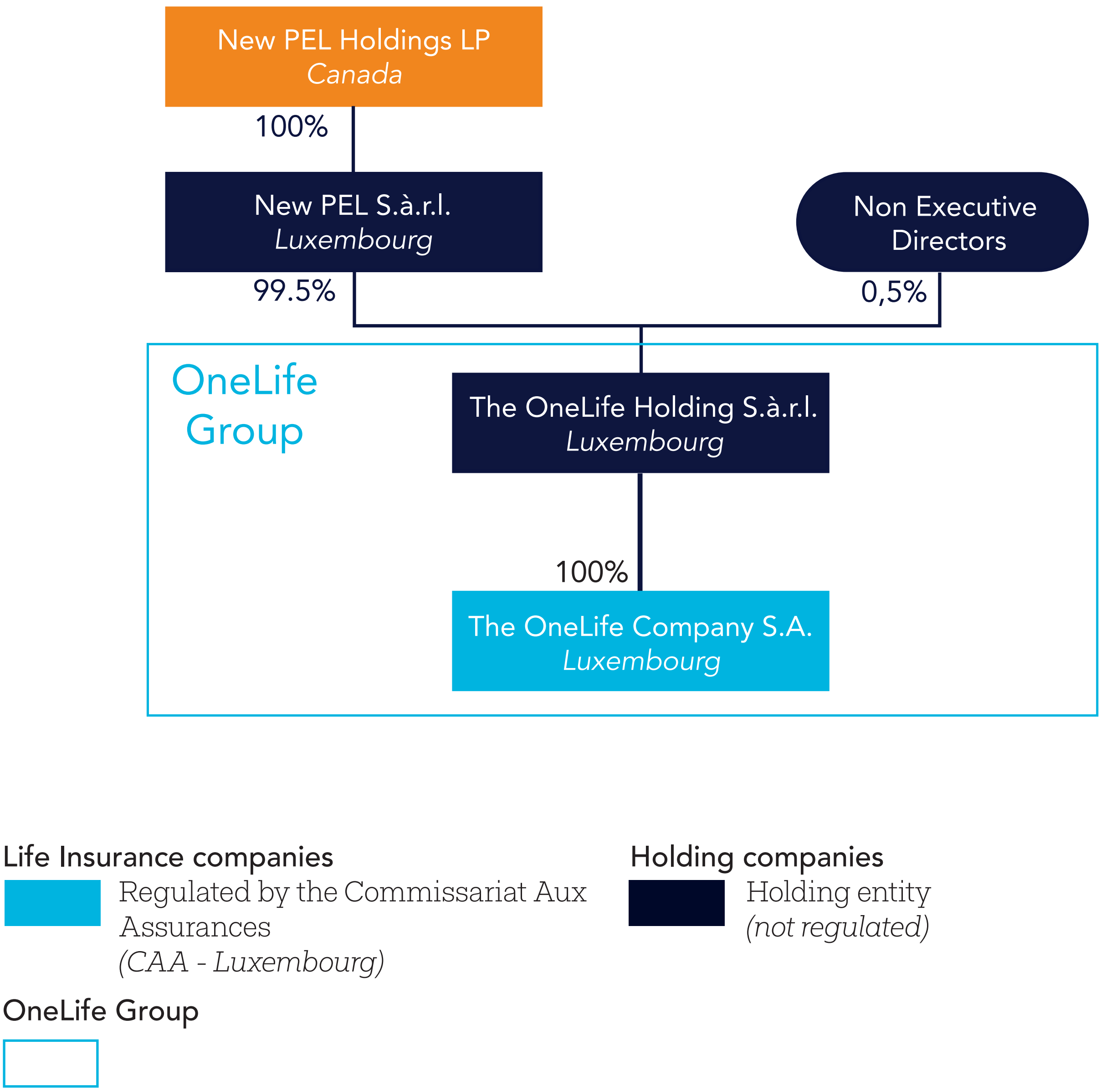
During the reporting period, some significant changes occurred to the Company's organisation, business and structure.

- In 2018, OneLife announced that agreement had been reached between funds advised by J.C. Flowers & Co. LLC (the Ultimate Shareholder of OneLife) and the APICIL Group in France for the sale of the OneLife Group to APICIL Prévoyance. On 2 January 2019, OneLife confirmed that the transaction was complete and that OneLife was part of APICIL Group.
- Since 26 November 2019, OneLife is owned by APICIL Prévoyance (*Institution de Prévoyance de droit français*) and by APICIL Epargne S.A. (a company incorporated in France), which is entirely owned by APICIL Prévoyance.
- On 30 December 2019, the Parent Company received from APICIL Epargne all the shares of APICIL Life, a life insurance company incorporated in the Grand Duchy of Luxembourg under Luxembourg law as a *Société Anonyme* and registered with Luxembourg Trade and Companies Register under number B 160.699. These shares were brought as a contribution in kind for a capital increase at the level of the Parent Company.
- On 30 December 2019, the Company and APICIL Life merged through the Company absorbing APICIL Life with effective accounting date as of 1 January 2019. The Merger project was approved by the Company's Board of Directors on 9 April 2019, published in the "Recueil Electronique des Sociétés et Associations" on 12 November 2019, approved by the CAA on 19 December 2019 and by the Parent Company's Extraordinary General Meeting on 30 December 2019. The Merger was ratified by the Extraordinary General Meetings of shareholders of APICIL Life and the Company on 30 December 2019.
- Since 2002, APICIL Life had a branch located in Tour de Lyon, 185 rue de Bercy, 75012 Paris (France). On 23 October 2019, the Company established a branch under registration number 878 395 169 R.C.S. Paris and located in 51 Rue de Londres, 75008 Paris (France). All activities of APICIL Life's branch were transferred to the Company's branch at the time of the Merger and APICIL Life's branch ceased to exist.

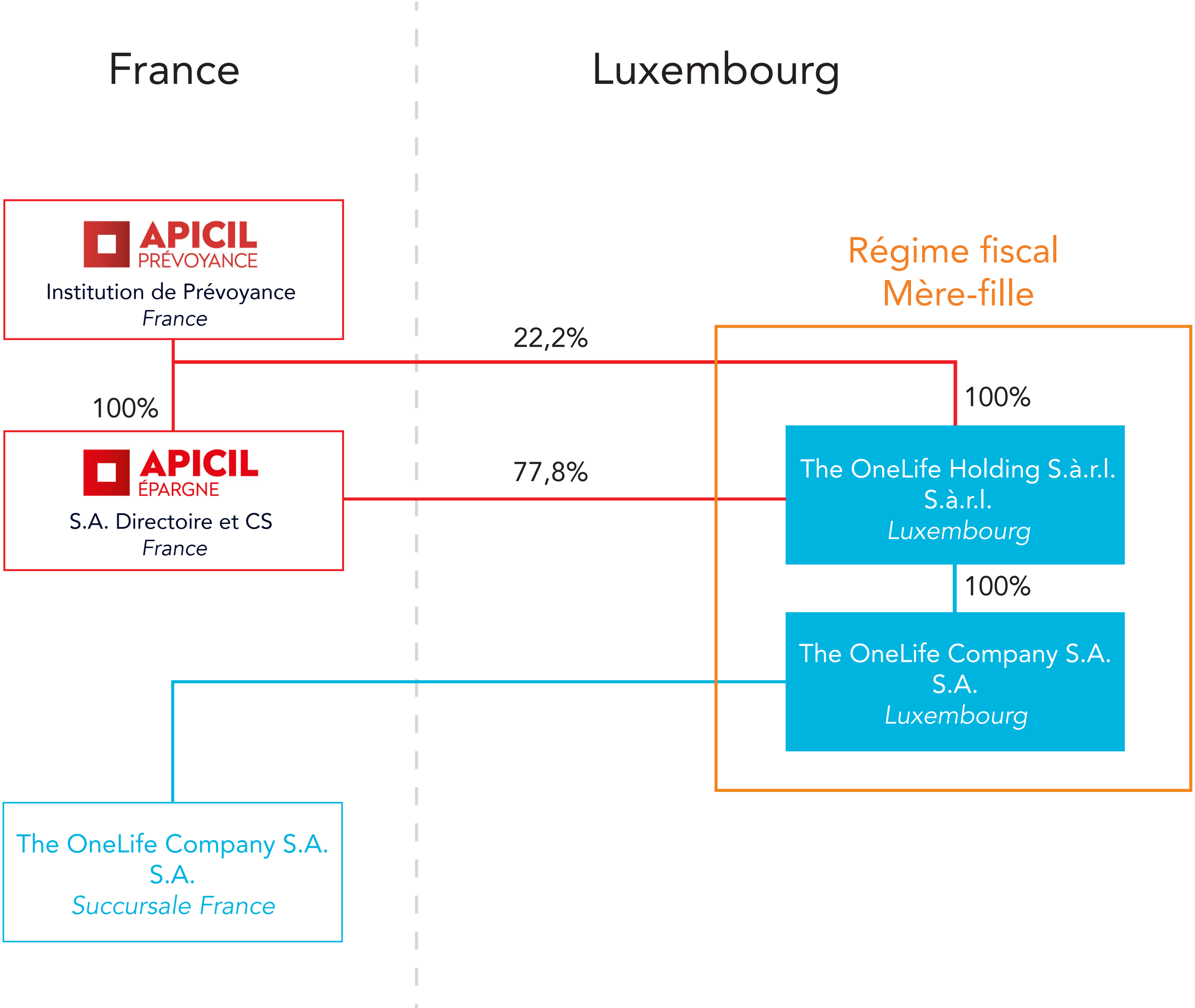
The 100% shareholder and parent of the Company is The OneLife Holding S.à r.l., which is incorporated in Luxembourg.

Since 31 December 2019, the Company's accounts are consolidated for APICIL Group within the combined accounts at the level of Société de Groupe Assurantiel de Protection Sociales (France). The consolidated accounts and the consolidated Management reports are available at the address of that entity at 38, Rue François Peissel, 69300 Caluire et Cuire (France).

The Group structure at the beginning of the Reporting Period was as shown below:



Following the take-over by APICIL Group and the subsequent transactions and changes in structure mentioned previously, the structure of the Group as of 31 December 2019 and as of the date of this report is as follows:



In 2016, the Regulator exempted OneLife from Group reporting for Solvency purposes with effective date on 1 October 2016. Accordingly, the sole Group entity having to produce these reports is The OneLife Company S.A. and our RSR report is produced considering that entity on a stand-alone basis. Nevertheless, some references to the Group's bodies or processes or functions are made in the System of Governance part of this report as they were constituted when there were several active entities within the Group. They are still in existence but currently only apply to The OneLife Company S.A.

2. BUSINESS AND PERFORMANCE

2.1 - Business - Identification and appointments

This report relates to The OneLife Company S.A., an insurance company located and licenced in Luxembourg.

The Company is regulated by:

Commissariat aux Assurances
7, boulevard Joseph II
L-1840 Luxembourg
G-D de Luxembourg
Telephone : (+352) 22 66 11 - 1
Fax : (+352) 22 69 10
www.caa.lu

The **Company's address** is at

38 Parc d'Activités de Capellen
BP 110
L-8308 Capellen
GD de Luxembourg
Telephone : (+352) 45 67 301
www.onelife.eu.com

The **external auditor** of the Company is:

Deloitte Audit, Société à Responsabilité Limitée
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
G-D de Luxembourg
Telephone : (+352) 45 14 51
www.deloitte.lu

As of 1 January 2019, the **Board of Directors** was composed of seven Directors:

Mr. Michel Wolter	Director (Independent) and Chairman of the Board
Mr. Paul Wolff	Director (Independent)
Mr. Thierry Porté	Director (Group Executive Chairman)
Mr. Antonio Corpas	Director / Managing Director (Group Chief Executive Officer)
Mr. Christopher Baker	Director (Independent)
Mr. Jean-Luc Jancel	Director (Independent)
Mr. Peter Yordan	Director (Non-executive)

Since 2 January 2019 and as of the date of this report, the Board of Directors is composed of four Non-Executive Directors:

Mr. Philippe Barret	Director and Chairman of the Board of Directors
Mr. Renaud Célié	Director
Mr. Renaud Célié	Director
Mr. Michel Wolter	Director (Independent)

As of the date of this report, Mr. Antonio Corpas is the Company's Chief Executive Officer, legal representative, in charge of daily management and Authorized Manager towards the Regulator (*Dirigeant Agréé*). He was appointed on 18 April 2018. His mandate was renewed on 11 April 2019.

As of 31 December 2019 and as of the date of this report, the legal representative of the branch in France is Mr. Thierry Jouseau (*Mandataire Général*). He was appointed on 6 June 2019.

Whenever applicable, the figures presented in this report are derived from Audited Financial Statements for the years ended 31 December 2019 and 2018, which have been prepared in accordance with the Luxembourg law of 8 December 1994 on the accounts of insurance and reinsurance undertakings, as amended (the "Law") and in compliance with the generally accepted accounting policies for the insurance and reinsurance industry in the Grand Duchy of Luxembourg. The accounting policies and the valuation rules are determined and applied by the Board of Directors.

The following significant general rules have been applied:

- the Company is on a going concern basis;
- the valuation methods are consistent from one financial year to the other, except where otherwise stated in the Annual Accounts;
- the prudence principle is followed;
- only realised profits are recognised, with the exception of life insurance business where the risk is borne by the policyholder;
- all foreseeable risks and potential losses, which arise during the course of the financial year are taken into account;
- assets and liabilities are valued item by item.

The Annual Accounts cover the yearly period from 1 January until 31 December.

All amounts in this report are labelled in Euro (EUR), if not otherwise stated.

The figures as of 31 December 2018, presented for comparison purposes, are these of the Company and have not been retreated to consider the Merger effective 1 January 2019. However, when applicable, summaries of material changes since last SFCR issued are included in the current report including those resulting from the Merger.

2.2 - Business – Key figures

In terms of financial performance, the Company reported a profit of EUR 1.8 million in 2019 and EUR 5.2 million in 2018.

The earned premium net of reinsurance amounted to EUR 848.4 million for the year ended 31 December 2019 and EUR 562.9 million for the year ended 31 December 2018. Iberia and France are the Company's primary markets with additional core markets being Belgium, Luxembourg, Denmark, UK, Finland and Sweden.

2019 Claims incurred, net of reinsurance amounted to EUR 888.4 million (charge) while 2018 Claims incurred, net of reinsurance amounted to EUR 520.5 million (charge) and are driven by surrenders for both the Dedicated Funds and the Unit-Linked business.

Change in Other technical provisions, net of reinsurance stands at EUR 755.9 million for 2019 (charge) and EUR 373.9 million (income) for 2018.

Unrealised gains on investments stands at EUR 903.9 million for 2019 and EUR 47.5 million for 2018 and unrealised losses on investments amounts to EUR 74.7 million in 2019 and EUR 434.8million for 2018. The investment income amounts to EUR 95.5 million in 2019 and EUR 95.7 million in 2018.

Net operating expenses increased to EUR 82.2 in 2019 from EUR 51.3 million in 2018. It is worth noting that Net Operating Expenses for APICIL Life in 2018 amounted to EUR 34.6 million.

Representative assets backing up technical provisions when the investment risk is borne by the policyholders account to EUR 7bn in 2019 and EUR 4.9bn in 2018, the variance being mostly due to the Merger and the market impact.

The Company has no other activity than directly related or derived from its life insurance activities. Non-Technical Income are recorded in Other Income and are mainly composed of interests on Intragroup loans, interest on advances made to policy holders, interests derived from tax receivable, reversals of previous years taxes, liquidation process and reversal of prior years' excessive provisions.

Key balance sheet figures for the year ended 31 December 2019 and 2018 are

Assets

EUR	2019	2018
Intangible assets	5,316,277	6,541,389
Investments	436,901,298	75,173,872
Investments for the benefit of life insurance policyholders who bear the investment risk	7,023,060,084	4,863,795,511
Debtors	84,070,590	32,490,326
Other assets	106,472,775	43,137,514
Prepayments and accrued income	13,589,091	13,246,837
Total assets	**7,669,410,115**	**5,034,385,449**

Liabilities

EUR	2019	2018
Capital and reserves	**97,268,953**	**62,551,643**
Subscribed capital	50,200,525	32,230,000
Share premium account	20,520,274	3,613,792
Reserves	15,000,000	15,000,000
Profit brought forward	9,707,851	6,495,402
Profit for the financial year	1,840,306	5,212,449
Subordinated liabilities	6,941,019	6,941,019
Technical provisions	458,529,566	51,142,837
Technical provisions for life insurance policies where the investment risk is borne by the policyholders	7,023,060,084	4,863,795,511
Provisions for other risks and charges	5,637,606	5,585,287
Creditors	77,245,614	43,308,784
Accruals and deferred income	727,273	1,060,368
Total liabilities	**7,669,410,115**	**5,034,385,449**

Key Profit & Loss figures for the year ended 31 December 2019 and 2018 are:

EUR	2019	2018
Earned premiums, net of reinsurance	848,394,491	562,978,904
Investment income	95,510,100	95,658,848
Unrealised gains on investments	903,904,386	47,474,602
Other technical income, net of reinsurance	20,264,068	1,470,960
Claims incurred, net of reinsurance	-888,432,956	-520,526,052
Change in other technical provisions, net of reinsurance	-755,967,433	373,833,106
Bonuses and rebates, net of reinsurance	-6,682,229	-
Net operating expenses	-82,240,458	-51,338,814
Investment charges	-48,039,332	-68,849,378
Unrealised losses on investments	-74,689,403	-434,764,409
Other technical charges, net of reinsurance	-10,995,750	-1,253,844
Balance on the technical account - life insurance business	**1,025,481**	**4,683,923**
Other Income	1,724,532	1,025,767
Other charges, including value adjustments	-75,984	-229,941
Profit on ordinary activities after tax	**2,674,029**	**5,479,749**
Other taxes not shown under the preceding items	-833,723	-267,300
Profit for the financial year	**1,840,306**	**5,212,449**

2019 has been a year of significant increase at OneLife in terms of earned premiums net of reinsurance with an increase of 50% from one year to another. Out of the EUR 848.4 millions of earned premiums net of reinsurance, EUR 191.6 million were generated by APICIL Life via its French branch. On an "OneLife pure standalone basis", the increase of earned premiums net of reinsurance represents 16.7% from 2018 to 2019.

2.3 - Personnel of the Company

Personnel employed during the year

The average number of persons employed by the Group in full time equivalent for the year ending 31 December 2019 amounts to 142 (2018: 149) and is broken down into the following categories:

Categories	2019
Management	72
Employees	70
Total	**142**

As of December 31 2019, the Company had 135 Full Time Equivalent employees (2018:136).

In terms of number of employees, the Merger mentioned previously had no significant impact on figures as of 31 December 2019 because on 1 July 2019, APICIL Life entered into a service level agreement with APICIL entities and most of its resources were transferred to these other entities of the APICIL Group. The few remaining employees were transferred to the Company. As of 31 December 2019, the sole person working for the branch in France is its Manager (*Mandataire Général*), Mr. Thierry Jouseau.

2.4 - Underwriting performance

Products, markets and distribution

The Company offers unit-linked and saving life assurance policies whose benefits are linked to the value of an investment portfolio. The Company offers a wide range of asset classes and investment strategies and calibrates each solution precisely using an array of fund types, financial products and investment vehicles – providing the flexibility and diversification that allow its clients to optimise risk / return profiles. Under certain conditions, the client (policyholder) can change asset allocation, custodian bank and investment manager during the life of a contract.

More particularly, the Company proposes the following assets in its products

1. External investment funds managed by experienced asset managers;
2. Internal collective funds offering mandated collective management in line with different policyholders' risk profiles;
3. Internal dedicated funds that allow discretionary management, in line with the policyholder's personal objectives;
4. Specialised insurance funds that allow the holding of specific classes of assets without discretionary management.

The business generated via the French branch relates to life assurance activities as per Annex 2 of the Luxembourg law of 7 December 2015 on the insurance sector, as amended, and also referred to in Article R 321-1 of the French Insurance Code.

The clients are individuals or legal entities.

The Company develops cross-border financial planning solutions for wealthy clients across Europe, more specifically in Belgium, Denmark, Finland, France, Luxembourg, Portugal, Spain, Sweden and the UK.

OneLife's customised solutions are based on clients' financial, fiscal, legal and family circumstances. Its open architecture approach provides clients with unit-linked contracts that offer a large choice and great investment flexibility across a wide variety of funds: from external funds to internal collective and dedicated funds. The products derived from the book of business previously developed by APICIL Life in France are distributed through the branch in Paris via advisors in wealth management.

The main products currently marketed by the Company are listed in the table below:

Client segment	(Ultra) High Net Worth (1M-10M) and Affluent
Product type	Life assurance Capitalisation bond Individual pension
Underlying structure	External funds Internal collective funds Internal dedicated funds Specialized insurance funds
Main Products names & category	Camelea/Serenity Adiameris (Dedicated Fund) Pension Belgium (Pension) Wealth France / Capitalisation France Wealth Belgium (Wealth) Wealth Finland / Capitalisation Finland Wealth Sweden (Wealth) Wealth Spain (Wealth) Wealth UK / Capitalisation UK Personal Pension Denmark (Pension) Wealth Luxembourg / Capitalisation Luxembourg Wealth Portugal (Wealth)
Markets	Belgium UK France Sweden Finland Luxembourg Denmark Spain Portugal
Main distributors	Agents Brokers/CGPI (IFAs) Banks Family Offices Asset Managers
Jurisdiction	Luxembourg France

The business generated via the French branch relates to life assurance activities as per Annex 2 of the Luxembourg law of 7 December 2015 on insurance sector, as amended, as follows:

1. Life, death and mixed insurance, annuity insurance - other than marriage and birth assurance - not linked to investment funds, as well as ancillary insurances to such insurances
2. Marriage insurance, birth insurance
3. Life, death and mixed insurance, annuity insurance linked to investment funds
4. Capital redemption operations

and also referred to in Article R 321-1 of French Insurance Code for the following products:

20. Life and death operations whenever commitments are dependant from the life of policyholders as well as other activities listed in business sector 22, 23 and 26
21. Marriage and birth insurances whenever commitments are dependant from the marriage or children births
22. Insurances linked to investments funds whenever commitments are dependant from the policyholders' life duration and linked to an investment fund

The activities mentioned under 20, 21 and 22 include complementary insurances activities as guarantees in case of death or disability of the policyholder

24. Capitalisation products whenever collection of premium aim at capitalizing these and include, for regular premium or unique ones, direct or indirect, commitments as to the duration or the amount

APICIL Life also had a small portfolio of life insurance contracts in Portugal.

The gross premiums written are broken down as follows:

EUR	2019	2018
Individual premiums	849,309,781	563,924,283
Premium under group policies	-	-
Total	**849,309,781**	**563,924,283**

EUR	2019	2018
Periodic premiums	1,829,983	1,993,253
Single premiums	847,479,798	561,931,030
Total	**849,309,781**	**563,924,283**

EUR	2019	2018
Premiums from non-bonus policies	79,463	12,434
Premiums from bonus policies	60,178,258	129,191
Premiums from policies where the investment risk is borne by the policyholder	789,052,060	563,782,658
Total	**849,309,781**	**563,924,283**

The geographical distribution of gross premiums written is as follows:

EUR	2019	2018
Luxembourg	5,191,234	10,502,483
Other EU countries	833,509,585	553,293,962
Non EU countries	10,608,962	127,838
Total	**849,309,781**	**563,924,283**

2.5 - Investment performance

As of 31 December 2019 and 2018, the Financial Investments were as follows:

	2019	2018
Other financial investments	**436,901,298**	**75,173,872**
Shares and other variable yield transferable securities and units in unit trusts	50,533,621	11,109,153
Debt securities and other fixed income transferable securities	356,411,443	58,458,599
Other loans	24,456,234	106,120
Deposits with credit institutions	5,500,000	5,500,000
Investment income	**94,175,787**	**95,658,848**
Income from other investments	31,277,151	45,944,530
Gains on realisation of investments	62,898,636	49,714,318

The Company also had the following cash at banks and in hand:

	2019	2018
Cash at bank and in hand	106,226,708	42,924,875

The Merger between the Company and APICIL Life S.A. had a significant impact on the financial investments of the Company as these owned by APICIL Life represented the following accounting value as of 31 December 2018.

EUR	Book value at 31.12.2018
Shares and other variable yield transferable securities and units in unit trusts	68,662,073
Debt securities and other fixed income transferable securities	232,412,238
Other loans	32,562,213
Total	**333,636,524**

The cash at bank and in hand owned by APICIL Life as of 31 December 2018 represented a total amount of EUR 33,205,822.

These Financial Investments have generated a net income of EUR 1,079,125 (2018: EUR 1,053,841).

2.6 - Performance of other activities

The Company has no other activity than directly related or derived from its life insurance activities. Non-Technical Income is recorded in Other Income and is mainly composed of Interests on Intragroup loans, interest from advances made to policyholders, interests derived from tax receivable, reversals of previous years taxes, liquidation process and reversal of prior years' excessive provisions.

2.7 - Any other information

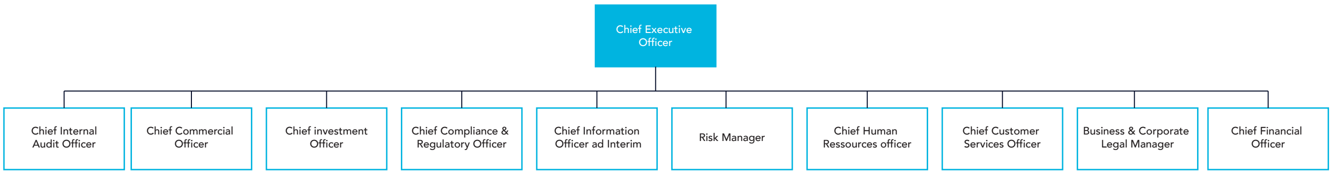
Reference is made to previous sections mentioning the significant changes in the Group and the Company's structure and organisation.

3. SYSTEM OF GOVERNANCE

3.1 - General information on the system of governance

3.1.1 Organisation chart

The following graph illustrates the situation as of **31 December 2019** including the department heads, and the key function owners:



It is worth noting that the Chief Internal Audit Officer, in addition to the administrative reporting to the CEO, also reports to the ARCC, from a functional aspect.

In addition to this chart, as of 31 December 2019 and as of the date of this report, the legal representative (*Mandataire Général*) of the branch in France being Mr. Thierry Jouseau reports to the CEO of the Company.

Decisions engaging the Company may be taken at different levels: the **General Meeting of Shareholders,** the **Board of Directors**, the **Chief Executive Officer** and the different **Committees**.

3.1.2 General Meeting of Shareholders

The General Meeting of Shareholders is not involved in the day-to-day operations of the Company. Its role is to review and approve the strategy proposed by the Board of Directors and to control its implementation. To do so, the General Meeting of Shareholders is principally given the authority to appoint the Directors and the CEO and to approve the Annual Accounts.

3.1.3 Board of Directors

As of the date of this report, the Board of Directors of the Company and of the Group is composed of four Non-Executive Directors and is principally in charge of determining the Company's strategy. In this context, it reviews the means of achieving the objectives, establishes internal controls, and monitors and evaluates the performance against the strategic plans and budgets.

To do so, it is given all the powers not expressly reserved to the General Meeting of Shareholders by law or by the Articles of Association.

The Members of the Board have extensive knowledge and experience in the areas of life-insurance business, private banking, financial markets, securities, brokerage, finance, risk management, operating management, business development, strategic direction of the Companies and Group as a whole.

The Board meets at least four times a year on a quarterly basis. Additional Board Meetings may be convened with appropriate notice at any time to address specific needs of the business. Any Director may call for a meeting of the Board of Directors. The convening notice includes an agenda of all the business to be discussed and resolved at the meeting. The agenda, proxy forms and related information must be provided to each Director prior to the meeting, within the timeframe indicated in the Articles of Association (Article 10.3). Resolutions may also be adopted by the Board of Directors (in writing, or via electronic mail). Any Board Member may request the inclusion of a matter on the agenda.

The Board appoints and removes the Chief Executive Officer, or other party responsible for the day-to-day oversight of the Company's affairs. Any changes in the Board composition is recommended by the Nomination and Governance Committee and submitted to the Board for approval (appointment or removal).

The Board Secretary also assists and advises the Board, the Chairman, the CEO and all Board Members in exercising their duties. The Board Secretary ensures that the Board procedures are complied with and that the Board acts in accordance with its obligations under the law, the Articles of Association, the internal rules and regulations.

Access to information and management:

The Board of Directors can have access to all corporate and business information needed to fulfil their duties.

The Board proceeds to an annual self-assessment of its own performance and of its Group's Committees (Audit, Risk and Compliance Committee, Nomination, Remuneration and Governance Committee). It is worth mentioning that, since early 2019, the previous "Nomination and Governance Committee" and the "Human Resources and Remuneration Committee" are merged into the "Nomination, Remuneration and Governance Committee"

The Board has adopted Terms of Reference to promote strong and effective governance.

The Board also appoints the Manager (Mandataire Général) of the branch in France who reports to the Chief Executive Officer (Delegate to the daily management).

The CEO is in charge of day-to-day operations and has all the powers required to fulfil this role. The CEO is the preferred, if not exclusive, point of contact between the Company and the Commissariat aux Assurances.

3.1.4 Committees

3.1.4.1 Committees reporting to the Board of Directors:

- Audit, Risk and Compliance Committee (**ARCC**);
- Nomination, Remuneration and Governance Committee (**NRGC**) resulting from the merger in 2019 of the Nomination and Governance Committee (**NGC**) and the Human Resources and Remuneration Committee (**HRRC**).

These Committees have been put in place by the Board; they report regularly to it and assist it in fulfilling its duties.

The ARCC comprises three Members of the Board.

Its current composition gathers competencies such as senior management experience, risk management, strategic and operating management, knowledge of financial markets, private banking. The Chairman of the ARCC is an independent Director.

The ARCC meets separately, as needed, with the Chief Executive Officer, the Chief Financial Officer, the Head of Actuarial, the Risk Manager, the Chief Internal Audit Officer, the Chief Compliance and Regulatory Officer, the representatives of the Independent Auditor or any other person and may require the same to attend any meeting(s) of the ARCC.

The ARCC meetings are held on a quarterly basis, any additional meetings may be convened.

The ARCC has the sole authority to select, evaluate, appoint, and replace the Independent Auditor and approves in advance all audit engagement fees and terms and all audit-related, tax compliance and other non-audit engagements with the Independent Auditor. The ARCC consults with Management, but shall not delegate these responsibilities.

The ARCC has the authority, to the extent it deems necessary or appropriate, to retain special legal, accounting, or other consultants to advise the Committee. The Company provides funding, as determined by the ARCC, for payment of compensation to the Independent Auditor, any advisors employed by the ARCC and ordinary administrative expenses of the Committee.

The ARCC regularly reports to the Board on its activities. These main activities cover the integrity of the Company's financial reporting process and the Company's system of internal accounting and financial controls, oversight of the Independent Auditors, oversight of Risk Management, oversight of Internal Audit, oversight of Legal/Regulatory/ Compliance Responsibilities, Oversight of General Management Responsibilities.

The NRGC is currently composed of three Members

The NRGG is a committee of the Board from which it derives its authority and to which it regularly reports.

The Board has delegated its operational responsibilities related to nomination, remuneration and governance matters to the Committee. It assists the Board mainly in:

- Identifying individuals qualified to become Board members and recommending to the Board the director candidates (nominees) for the next annual shareholders' meeting.
- Annually reviewing of the Board's performance and recommending to the Board director candidates for each committee for appointment by the Board.
- Determining, approving the compensation structure for members of senior management (members of the Executive Committee), staff members and certain highly compensated employees, in accordance with guidelines established by the Committee from time to time, and special compensation and benefits policies.

Additionally, the Committee will regularly review the Company's management resources, succession planning and development activities, as well as the performance of senior management. The Committee is charged with monitoring the Company's performance toward meeting its goals on employee diversity.

As far as governance is concerned, the Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board the Corporate Governance Guidelines applicable to the Company and monitoring its compliance with said policies and guidelines.

The Committee meets as often as it determines, but not less frequently than once a year, and as it deems necessary.

A remuneration policy is adopted and there are two different status of employees in the Company:

- Non-ICA Employees
- ICA Employees

Non-ICA employees are Experts, Managers, Department Manager, Department Head (including executive committee members) who are not subject to the ICA, for the financial side of their compensation.

ICA employees are employees below the Manager level.

Emoluments granted to members of the Board of Directors by reason of their responsibilities with respect to the financial year 2019 are included in Administrative expenses in the Profit and Loss Account. No commitments have been entered into with respect to retirement pensions for former members of the Board of the Company.

In 2019 the NGC and the HRRC merged into the "Nomination, Remuneration and Governance Committee".

3.1.4.2 Committee with Chairman reporting to the Board of Directors

The Group Executive Committee.

The GEC is in-charge of implementing the strategy as defined by the Board.

The Group CEO, who reports directly to the Board of Managers, directs it.

As of 31 December 2019, the GEC is composed as follows:

Mr. Romain CHEVALIER	Chief Commercial Officer
Mr. Antonio CORPAS	Chief Executive Officer
Mr. Elio FRATINI	Chief Operations Officer
Mr. Cedric LOOTVOET	Chief Financial Officer
Mr. Anthony LORRAIN	Chief Investment Officer
Ms Laurence PARISON	Chief Human Resources Officer

The Chief Internal Audit Officer, being responsible for a key internal control function, is not member of the GEC but attends its regular meetings.

3.1.4.3 Committees reporting to the GEC

- **Risk & Control Committee (RCC);**
  The RCC's purpose is notably to assist the GEC and CEO in their internal control duties, to act as a focal point for instigation, monitoring, review and communication of relevant audit matters, internal control, risk, compliance and actuarial risk matters, to review the operational risks identified by the business and to ensure an integrated approach to risk and control matters.

- **Investment Committee (IC).**
  The IC is an executive committee whose purpose is to: implement the investment guidelines, review all investment on own portfolio and guaranteed rate portfolios, monitor the investment performance, review all investment exceptions, the credit risks and the accumulation exposures, implement internal controls and risk management in respect of investment processes, monitor business conduct and compliance with laws, regulations and relevant codes of conduct where these relate to investments. The IC recommends to the GEC the acceptability of client's investments that meet with regulators needs, monitor hedging, approve new funds and maintain compliance with funds as approved by the CAA.

3.1.4.4 Committees implemented at the level of the life insurance company

A Client Acceptance Committee (CAC) has the authority to review and accept or refuse applications from prospective and existing clients relating to cases that qualify as high risk.

3.1.6 Group structure and shareholders

As at 1 January 2019, New PEL S.àr.l. (owned by JCF AIV PLP, a limited partnership established in the Province of Alberta (Canada)) owned 99.5% of The OneLife Holding S.à r.l. Two independent directors owned the remaining 0.5%.

In 2018, the Group announced that agreement had been reached between funds advised by J.C. Flowers & Co. LLC (the Ultimate Shareholder of the Group) and the APICIL Group (APICIL) in France for the sale of the Group to APICIL. On 2 January 2019, the Group confirmed that the transaction was complete and that it was part of APICIL.

Since 26 November 2019, OneLife Group is owned by APICIL Prévoyance and by APICIL Epargne S.A., which is entirely owned by APICIL Prévoyance.

3.2 - Fit and proper requirement

The Company has a policy to observe the obligations included in Solvency II Directive and detailed in the EIOPA Guidelines.

The Fitness & Probity policy includes the minimum requirements pursuant to the Solvency II Directive requirements.

The functions subject to Fitness& Proper assessment are:

- Members of the Boards of Directors,
- Members of the Boards of the ExCo,
- Key functions, as defined by the Solvency II guidelines
- Specific Senior Management or key positions as identified by HR.

Persons proposed for Senior Management Positions must be honest, diligent and of good reputation and must act and have acted ethically and with integrity.

In determining a person's honesty, integrity and reputation, the Company will have regard to matters, which may have arisen in either Luxembourg or elsewhere.

3.2.1 Documents to support Fitness Assessment Procedure

Persons proposed for Control Functions, or Senior Management Positions must be adequately trained, qualified and experienced regarding the nature of the functions and the required qualifications of the functions. Due to the complexity of certain functions within the Group and in connection to the above criteria, for assessing one's qualification, training and experience (fitness) for one position, the Company shall seek for each applicant to a SMP relevant documents and whenever deemed necessary, supplementary information and/or documents are requested.

3.2.2 Documents to support Probity Assessment

Persons proposed for CFs, or SMPs must be honest, diligent and must act ethically and with integrity.

In connection to the above criteria, for assessing one's honesty, integrity and good reputation, the Company shall seek for each applicant to a SMP some relevant documents.

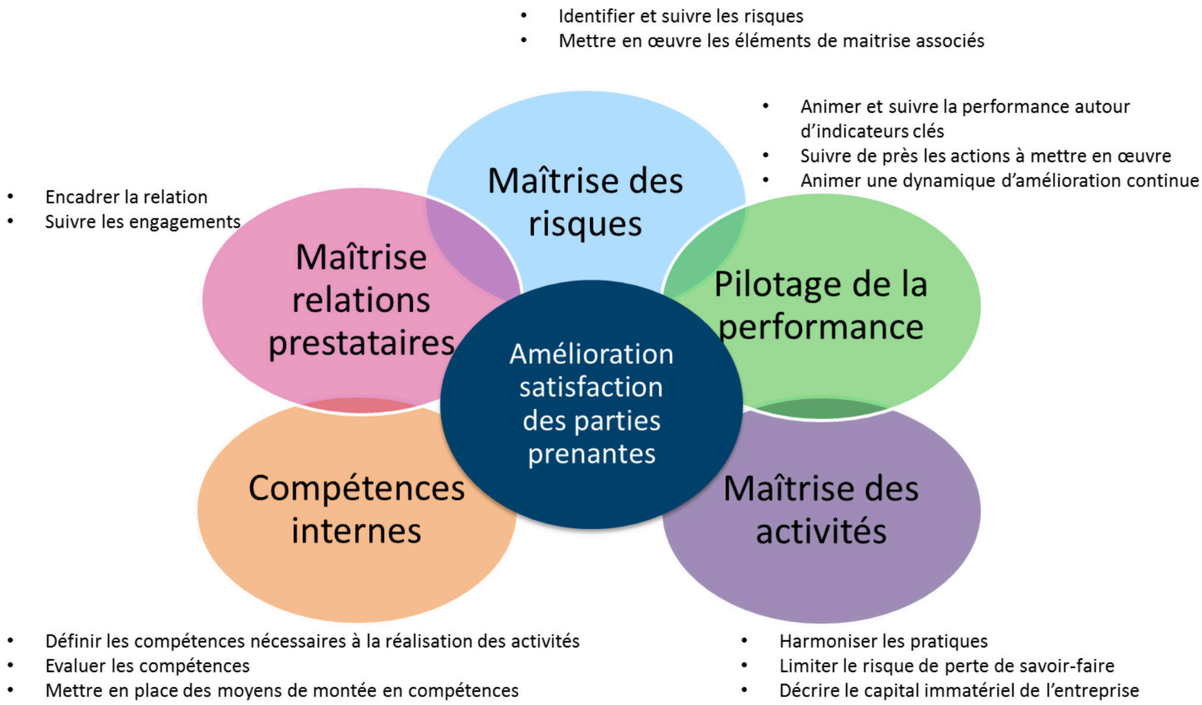
3.3 - Risk management system including the own risk and solvency assessment

As part of APICIL Group integration, OneLife is integrating the "Système de Management Intégré des Risques" (SMIR) approach.

An alignment with APICIL Group Risk Management methodology is required to ensure consistency in the aggregation of risk exposure at Group level.

Before presenting specific risks inherent to the Company's business in subsequent section 4, here below is a summary of the key principles of the SMIR approach (in French as derived from APICIL Group processes):

Key Principles



Driving the performance

Cartographie des processus	– **Objectif** : Cartographier les activités
Cartographie des risques	– **Objectif** : Identifier, suivre et maîtriser les risques
Tableau de bord	– **Objectif** : Suivre la performance de l'activité – **Fréquence** : Différentes fréquences possibles (indicateurs mensuels, trimestriels, ...) – Indicateurs de performance et contextuels
Plan d'actions	– **Objectif** : Suivre l'avancement des actions du processus/service – **Fréquence** : La mise à jour se faut au fil de l'eau selon l'avancement de chaque action. La revue est effectuée lors de la revue mensuelle de la performance
Grille de polyvalence	– **Objectif**: Identifier les compétences nécésaires à la réalisation de l'activité, identifier les compétences en interne, les besoins en formation, les hommes clés

3.3.1 Risk Governance

The Board assumes final responsibility for the implementation of an appropriate risk system within the Company and to satisfy itself that an appropriate level of governance is exercised to ensure that risk is integrated into decision-making and control within the Company. The Board also assumes the final responsibility for the Risk Strategy and Risk Appetite definition.

The Board in turn delegates to a sub-committee, i.e. the ARCC the responsibility to undertake review of the corporate risk system, and the risk exposures to ensure that Management continue to manage the business within the Board's prescribed Risk Appetite, and that key risk exposures do not exceed Board approved limits.

Having established the risk exposure constraints for Management to operate within, the ARCC delegates to the Group Executive Committee the authority to continue operations such that the limits are not exceeded.

The Group Executive Committee in turn has established dedicated oversight committee for managing the Group's risk exposures, the RCC (Risk & Control Committee).

The aim of the RCC is to improve the efficiency and the effectiveness of the corporate governance and is established to assist OneLife Chief Executive Officer and the Executive Committee in their internal control duties.

3.3.2 Corporate Three lines of Defence Model

The Group Corporate Governance is structured following the “Three Lines of Defence” model:

– **First Line of Defence** – Day-to-day risk management, performed by the various departments under the supervision of department heads.

  In each department, employees, managers and department heads have a deep understanding of their daily operations and the related risks, as such:
  - They own and manage risks (*i.e.* “risk owners”);
  - They are responsible for identifying, assessing, controlling and mitigating risks;
  - They maintain effective internal controls and execute risk and control procedures;
  - They implement corrective actions to address process and control deficiencies;
  - They design and implement “internal rules” in coordination with other departments;
  - They guide the design of controls into systems and processes.

– **Second Line of Defence** – Risk Oversight, performed by the Actuarial function, Risk Management function, Compliance function;

  The responsibilities of these functions include:
  - Supporting management policies;
  - Providing risk management frameworks identifying known and emerging issues;
  - Identifying changes in the organization's risk appetite;
  - Assisting management in developing processes and controls to manage risks and issues;
  - Providing guidance and training on risk management processes;
  - Monitoring implementation of effective risk management practices and adequacy and effectiveness of internal control;
  - Alerting to emerging issues and changing regulatory and risk scenarios.

– **Third Line of Defence** – Independent Assurance, performed by Internal Audit department. Additional information on how Internal Audit provide the governing body and Senior Management with comprehensive assurance, based on the highest level of independence and objectivity within the organization, is described in the Internal Audit section of this report.

3.3.3 Group Risk Management Team - Compliance & Risk Department

The Risk Management team – Compliance & Risk Department is responsible for:

- Co-ordinating the risk management programme and providing advice and guidance, including the development of standard templates and tools to assist the Company in managing risk;
- Developing and conducting training on the principles of risk management, risk assessment and on how to implement risk management effectively;
- Ensuring that strategic risks are considered by conducting an annual Reverse Stress Test to identify exogenous risk events which may lead to the business model no longer remaining viable and maintaining a register of endogenous risks which can lead to a failure of Group Executive Committee to achieve the objectives of the strategic plan. Further registers will be maintained of the financial and operational risks identified through the risk self-assessment process;
- Developing a comprehensive risk event reporting system and maintain information on losses or adverse events when risks crystallise;
- Supporting Management in the effective operation of the risk management system,
- Monitoring the risk management system;
- Maintaining a Group-wide perspective and aggregated view of the risk profile;
- Reporting on risk exposure and advise Management on risk in relation to strategic considerations and major initiatives and projects;
- Identifying and assessing emerging risk;
- Establishing policies and procedures to guide risk management activity.

The Risk Manager reviews the risk management process annually and reports this in an annual report on risk management to the ARCC.

3.3.4 Risk Correspondents

Within operating departments there are a number of individuals identified to fulfil the role of Risk Correspondent.

Their objective is to support the Risk Owner (usually the Department Head) in the embedding of a strong risk culture in the Business Unit, assisting the Group Risk Management team in compiling the Business Unit's Risk Register and support the reporting of Risk Events.

Formal Terms of Reference for the role are agreed by the RCC.

3.3.5 Risk Map

OneLife uses a pre-defined risk map, which is structured as follows (high level):

OneLife Group Risk Map
High Level

Financial Risk	Operational Risk	Strategic Risk	Governance Risk
Life Insurance Risk	Internal Fraud Risk	Strategic Project Risk	Corporate Governance Risk
Market Risk	External Fraud Risk	Strategic Business Risk	
Credit Risk	Employment Practices and Workplace Safety Risk	Risk Exposure Aggregation	
Liquidity Risk	Clients, Products and Business Practices Risk	Reputational Damage Risk	
Concentration Risk	Damage to Physical Assets Risk	Human Resource Risk	
	Business Disruption and Systems Failures Risk		
	Execution, Delivery & Process Management Risk		

3.3.6 The Business' Review of Risk

A Global Risk Assessments Profile and Evaluation (GRAPE) is performed at least twice a year where the objective is to focus on all risk types shown in the Risk Map above.

The GRAPE is a structured and systematic process to:

- Create comprehensive risk scenarios by identifying vulnerabilities, triggers and consequences
- Quantify financial and/or reputational impact
- Define, plan, monitor and implement effective risk mitigations strategies: improvement actions and controls
- Quickly capture the collective knowledge of in-house experts, and apply it effectively to risk control and improvement

Risk Indicators given by the Risk Events Data Collection and the Risk Exposure Monitoring (REM) are used as real events showing how risks could materialise. They are considered as input for Risk Assessment helping in the identification of:

- The efficiency of Controls in place or need of new controls implementation
- Vulnerability to risks
- Triggers for the materialization of potential risks
- Consequences that the risks could bring

Risks are discussed in bilateral meetings between Risk Management and Risks Owner(s) (and/or Business Expert(s)) and based on measurements criteria (scoring grid) defined in the Risk Management System, risks are then measured in terms of Impact and Likelihood/Probability. These two measures allow giving a rating representing The OneLife Company S.A.'s exposure to the identified risks.

Each risk can have an impact on the Solvency Capital Requirement, Total Operating Surplus, Operational Expenses and/or Reputation of the Company. In addition, a Strategy for each risk is also selected by the Risk Owner.

Risk Management department performs two types of Risk Assessment:

- GRAPE at Company Level performed twice a year as described above.
- Issue Based Risk Assessment (IBRA), which is mainly a risk assessment, based on events occurred with a high frequency and impact on a specific process (ad-hoc basis). The approach is the same as per GRAPE process, but the scope is a specific issue or process.

For the IBRA specific scoring grid and evaluation method are adapted to the process and validated by the Risk Assessment participants and the whole process is mentioned in the final report for a global overview.

3.3.7 Risk Exposure Reporting Process

The OneLife Company's Risk Exposure is estimated through risk assessments, the collection of operational incidents (Risk Event Data collection – or "RED") and the quarterly monitoring of key risks indicator which are reported in the Risk Exposure Monitoring ("REM") report.

The RED collection process consists of the systematic collection and recording of operational risk events across the Company. Risk Events are communicated to Risk Management via an internal tool; a report is presented to the ARCC and RCC Committees on a regular basis.

The REM is produced by the Risk Management team on a quarterly basis, with financial and non-financial data collected across various departments of the Company. It includes breaches where applicable and an assessment of the exposures. The REM report is presented to the sub-Exco committees and to the ARCC.

The full picture on Risks Exposure (including the risk ratings, defined strategy, risk owner, mitigation actions, etc.) is presented to the ARCC and RCC Committees in order to validate the Risk Assessment: a regular follow-up on mitigation actions is done.

The GRAPE report is then presented to the Audit, Risk and Compliance Committee and it used then by the Board of Directors as a decision maker tool.

3.3.8 ORSA process

The ORSA policy is adopted and states that the *"ORSA is a process that seeks to link the ERM framework to the Corporate Strategy and to the Solvency/Capital requirements of the enterprise. The business strategy will imply a number of risks that the business will face, but at the same time, a number of risk factors may change over time, such as the external economic environment, internal business practices and the competitive landscape. The ORSA needs to demonstrate that, over all reasonable expectations of such impacts, the business can continue to remain solvent.*

The Board needs to be assured that the ERM is robust with good governance, supports their expressed appetite for risk and of the business's ability to identify all of the types and levels of own risk (quantitative and qualitative) to which they are exposed as well as management actions through mitigation or adequate capital resources to survive the impact of such risks crystallising. Such analyses will have broader reach than just the risks specified for calculating the SCR, as well as having different calibrations of the impacts and likelihoods of the SCR risks.

There is a need using stress and scenario analysis to project over the horizon of the business plan –three years in OneLife's case - the outcomes in respect of capital positions arising from the impacts of own risks under range of scenarios.

The outcome of the ORSA is an ability to support the statements that, OneLife's plans are consistent with the Risk Appetite, that the Group is adequately capitalised on the basis chosen for the own risk assessment as well as on a regulatory basis, and that the Group will continue to be so over the planning horizon."

The ORSA is completed at a point in time during the year and provided to the regulators according to the requirements.

The ORSA exercise is undertaken on a yearly basis; OneLife aims to deliver an ORSA based on the latest available 5-year budget. However, if a significant exceptional event affecting the structure of the Group occurs then the ORSA process would be triggered and an ad-hoc assessment (in part or in full as appropriate) would be conducted.

The Board, the ARCC, the ExCo and the CEO are also entitled to request an ORSA to be produced at any point in time.

Concerning the ORSA report structure, which is not fixed and can evolve according to report needs, the information included must cover at least (not exhaustive):

- Information on the Structure of the Group
- Information on the Business, Markets and Performance
- Information on the System of Governance
- Information on the Risk Profile
- Assessment of the overall solvency needs

- Forward-looking perspective of the overall solvency needs assessment
- Valuation and recognition bases of the overall solvency needs
- Continuous Compliance with Regulatory Capital Requirements
- Continuous Compliance with Technical Provisions
- Assessment on the potential Deviations from assumptions underlying the SCR calculation

The conclusion includes at least:

- The qualitative and quantitative results of the forward looking assessment and the conclusions drawn by the undertaking from those results
- The summary of the methods and main assumptions used

During the year Risk Management will ensure a process of risk reporting (in agreement with the results of the annual ORSA report) and continuous monitoring of the ORSA results (actuals vs. projected). In practice, whenever the Actuarial Team will report Solvency II coverage (which under Solvency II is at least on a quarterly basis), Risk Management will be informed of report any breach of the Risk Appetite Solvency coverage limit and it will be reported to the relevant stakeholders.

The ORSA assumptions and results are reported to the ExCo for comments and approval before presentation to the ARCC and the ORSA assumptions and results have to be approved by the Board.

ORSA results are interpreted into budget approval process.

The ORSA process and modelling takes also into accounts risk as assessed as high and identifies if they are covered in the SCR calculated by the standard formula and for in stressed scenarios.

3.4 - Internal control system

3.4.1 Compliance Team – Compliance/Regulatory & Risk Department

Compliance team's role within OneLife is to support the Company and its key stakeholders against business practices that would not be in line with legal, regulatory, internals rules and in some aspects ethical requirements.

This includes also the protection against reputation risk which is one of the key assets for development success.

The Compliance function includes the following main activities:

Category	Tasks
AML / CTF – Anti-money laundering / Counter Terrorist Financing	Review of Know-You-Customer files and atypical transactions. Perform regular controls on a "risk-based" approach. Name filtering of clients and brokers against official lists and exposed persons lists. Compliance performs the reporting of suspicious transactions to authorities and the Compliance Manager is the MLRO (Money Laundering Reporting Officer).
Compliance training	Following the compliance training plan, annual training is provided on AML / CTF, complaint handling, fraud prevention, GDPR and other related topics to employees.

Category	Tasks
Complaints handling	Centralization and analysis of complaints. Periodic reporting to ARCC.
Data protection and record retention	Set up data protection policies. Support other departments by performing reviews, setup of record retention schedules, etc.
Distribution network review	Review the distribution network of the different insurance companies of the Group in order to assess if the brokers are licensed and do not present reputation risk for the Group.
Fraud prevention / investigation	Promote a fraud awareness culture. Investigate potential cases of fraud. Propose procedures / controls / remediation actions based on findings.
Internal code of conduct / ethics	Develop policies and procedures that foster an ethical behaviour of all employees.
Internal procedures review	Review internal procedures in order to identify if those procedures take into consideration compliance risk.
Product review / product acceptance	Review new products and their development in order to raise and address on time potential compliance issues. Suggest modifications if needed.
Project support	Support ongoing project which may have a compliance impact.
Rules of conduct / Information to clients	Review proper mechanisms for information to clients (complete / accurate / timely).
Whistle Blowing	The Compliance manager is the contact person "GPM - Good Practice Manager" and is responsible for centralizing and handling alerts of unethical behaviour raised by employees.

The function documents its controls and issues recommendation when appropriate.

It is an independent function and reports to the Group CEO and to the ARCC where it has direct access to Board members.

In addition, the function disposes of own resources and budgets to seek external support in case of need.

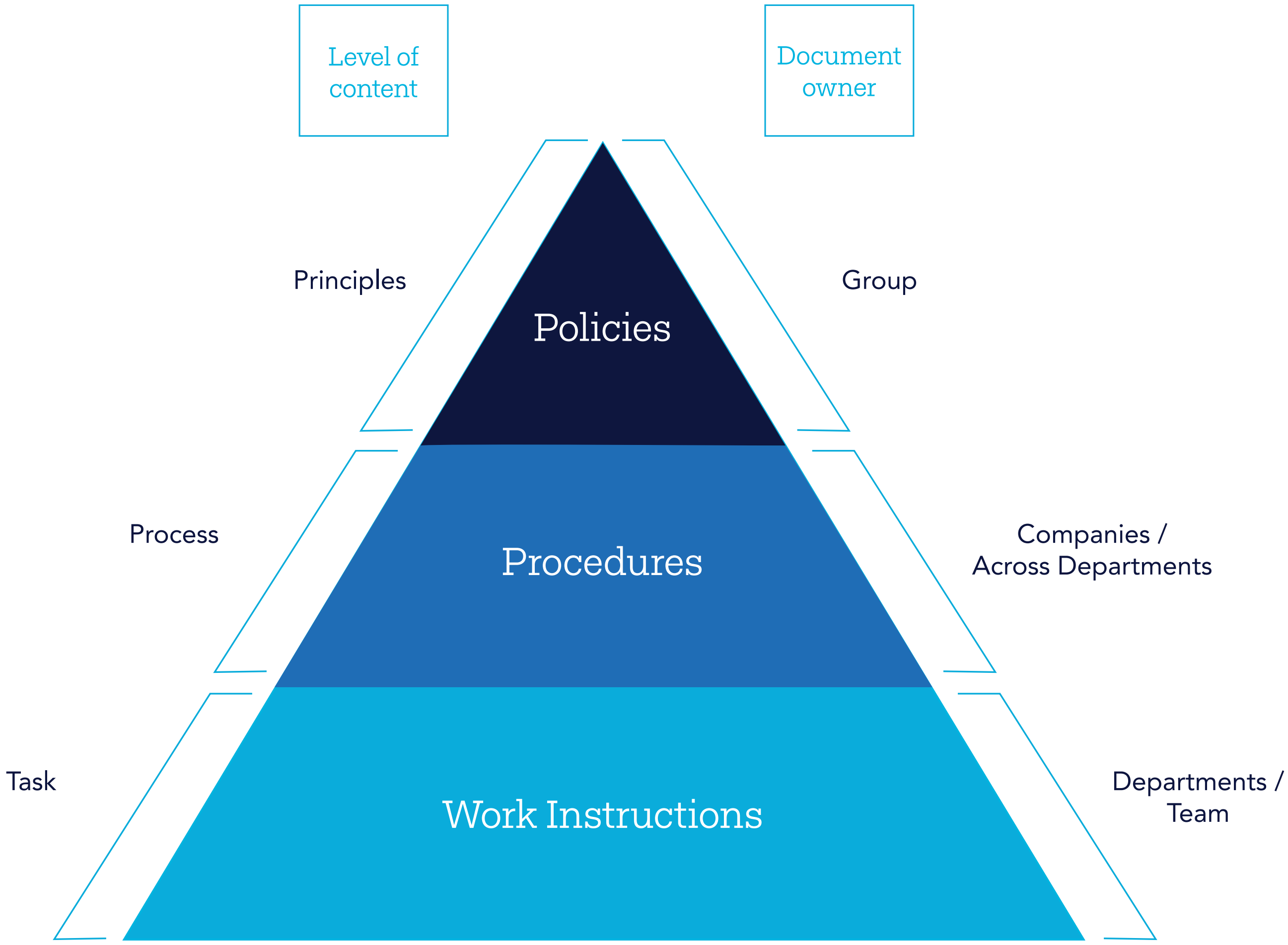
3.4.2 Internal rules

The Group has implemented Internal Rules covering all its activities, including its life insurance activities meeting the Commissariat aux Assurances requirements. The Group's Internal Rules manual is updated on a yearly basis or when deemed necessary.

Internal Rules are centralized by Compliance and Regulatory department and made available for all employees on the Intranet. They are structured under Policies, Procedures and Work Instructions.

– **Policies** set overall principles for activities of OneLife;
– **Procedures** document one process within and across departments and are applicable to one or several companies;
– **Work instructions** provide more detailed guidance on how to carry out a single task. Work instructions depend on the details requested to perform a specific task. In some cases, detailed work instructions may be optional if a detailed procedure is in place.

The graph below explains the level of details of each category of Internal Rules:



Trainings on some of these procedures are organized including but not limited to Compliance topics (AML, Complaints ...).

3.5 - Internal audit function

3.5.1 Internal Audit Department

The Internal Audit department is responsible for:

- evaluating the internal controls system through reviews of the various activities of OneLife and all its affiliates (whether located in Luxembourg or abroad),
- ensuring that OneLife is adequately protected by the internal rules in place, and
- making recommendations for improvement.

Scope, responsibilities, organisation and reporting lines of the Internal Audit function are defined in the Audit Charter, which has been approved by the ARCC.

The key principles and standards ruling the Internal Audit function have been made available to all staff members through the publication on the intranet of the Internal Audit Manual.

To ensure objectivity and in particular to avoid conflict of interest, a system of rotation of audit tasks is instituted within the limits of practicality, and arrangements made to avoid new recruits from within the organisation performing audit work on activities where they exercised their duties in the recent past.

3.5.2 Reporting Line

To provide for the independence of the Internal Audit activity, the Chief Internal Auditor Officer reports functionally to the ARCC and administratively to the Chief Executive Officer

3.5.3 Risk Assessment and Internal Audit Plan

The Internal Audit activity of OneLife follows a risk-based approach, meaning that internal audit resources are deployed with efficiency to cover the audit universe, draw up the internal audit plan, plan audit engagements and communicate results. The yearly risk assessment is aligned to the Risk Management's methodology. Inherent business risks, mitigating controls and residual risks are evaluated.

For efficiency reasons, the Internal Audit department relies to some extent on the work of others (e.g. Risk Register compiled by Risk Management team), but expresses its opinion independently.

The Internal Audit department:

- conducts interviews with members of the Group Executive Committee, with Risk Management and reviews documents made available by all departments, and
- produces some high-level risk matrix representing the audit universe, a Heat Map summarising high levels risks and finally the risk based audit plan.

The audit plan is:

- foreseen as a dynamic tool to be adapted in relation to the evolution of the business and of its related risk. Quarterly reviews of the internal audit plan are performed to take this into account;
- drawn up for at least 3 years so as to cover all activities and functions according to their risk exposure;
- approved by the CEO and the Audit, Risk and Compliance Committee.

Special investigations may be carried out by the Internal Audit department at the request of the CEO and / or the ARCC.

3.5.4 Audit Reports

Standard reports include observation, risk and recommendation. Observations are classified between Extreme, High, Moderate or Low in relation to their residual risk. The level of residual risk attached to each internal audit finding is determined as a result of the internal audit engagement, following the risk topology and the risk assessment methodology.

Management responses, with precise action plan and deadline for implementation, are included in the final report, which is graded according to the magnitude of the reported observations.

Management responses, with action plan and deadline for implementation are included in the final report, which is graded A, B, C or D, according to the magnitude of the reported findings.

3.5.5 Follow-up Process and Reporting

Recommendations raised by the Internal Audit department for the purpose of improving the organisational and internal control quality are subject to regular follow-up whose frequency is dependent on the "Recommendation Priority" as described in a procedure.

3.6 - Actuarial function

The duties of the Actuarial Function are carried out by the Company's Actuarial Team, which is part of the Company's Finance Department.

The Head of Actuarial reports to the CFO, with a dual reporting line to the CEO and access to the Board of Directors through regular attendance at ARCC meetings.

The Actuarial Function carries out the following tasks, which are summarised in an annual Actuarial Function Report to the Board of Directors:

- coordinates the calculation of technical provisions;
- ensures the appropriateness of the methodologies and underlying models used as well as the assumptions made in the calculation of technical provisions;
- assesses the sufficiency and quality of the data used in the calculation of technical provisions;
- compares best estimates against experience;
- informs the Board of the reliability and adequacy of the calculation of technical provisions;
- oversees the calculation of technical provisions where approximations have been used due to insufficient data of appropriate quality;
- expresses an opinion on the overall underwriting policy;
- expresses an opinion on the adequacy of reinsurance arrangements, and;
- contributes to the effective implementation of the risk-management system, in particular with respect to the risk modelling underlying the calculation of the SCR, MCR and to the ORSA.

3.7 - Outsourcing

An Outsourcing policy has been set and the owner is the Tax & Legal department.

Each department of the Company is responsible for maintaining the list of the outsourced function activities in its department. The information in the outsourcing log is provided by all the Company's departments to the Tax & Legal department, which will submit the log to the Executive Committee.

The Executive Committee manages the outsourcing arrangement and:

- ensures that there is a risk based framework for outsourcing arrangements in a procedure that reflects the Board approved policy;
- exercises oversight of the due diligence process, for the evaluation and selection of potential service providers prior to recommending to the ARCC;
- establishes and implements an oversight process that ensures that outsourcing arrangements, and outsourcing of material business activities in particular, are reported to the ARCC prior to implementation

- for each outsourcing arrangement, receive a summary report, drafted by the owner of the outsourcing agreement, that demonstrates that there is a formal evaluation of the service provider (due diligence), that a contract with appropriate service level agreements (SLAs) is in place, and that confidentiality provisions and security needs are adequately addressed;
- draft a report for the ARCC, demonstrating the effective monitoring of outsourcing arrangements of critical or important functions or activities by the owners of those outsourcing agreements
- validate the report presented by T&L on the criticality or importance of the outsourcing agreement;

In order to ensure that the outsourcing of critical or important functions or activities does not impair the ability of the supervisory authorities to monitor the compliance of the Company with its obligations, the Executive Committee ensures that:

- the service providers cooperate with the supervisory authorities of OneLife in connection with the outsourced functions or activities
- OneLife, its external and internal auditors have effective access to data related to the outsourced functions or activities.

The Tax & Legal department reviews the SLA from a legal point of view.

3.8 - Adequacy of the system of governance

The Company assesses its system of governance as adequate taking into account the nature, scale and complexity of the risks inherent in its business.

3.9 - Any other information

Reference is made to previous sections mentioning the significant changes in the Group's structure and organisation.

4. RISK PROFILE

4.1 - Underwriting risk

Underwriting risk is the risk of loss arising from insurance contracts underwritten by the Company. It arises from the following sources:

Lapse Risk

Lapse Risk comprises the risk of loss arising through higher levels of policyholder lapses than expected on contracts underwritten by the Company. It may be concentrated where a large number of policyholders are serviced by a small number of distributors, and where the focus on HNWI leads to fewer but larger premium receipts and corresponding surrenders.

The Company accepts that in the short to medium term it will be significantly exposed to lapse risk and in particular as it implements its strategy to build relationships with a wider range of product distributors. In designing its products and processes the Company will take steps to limit direct exposure to lapses. The Company has a low appetite for lapse risk.

Mortality Risk

Mortality Risk is the risk of loss arising through higher levels of policyholder deaths than expected on contracts underwritten by the Company.

For the historic OneLife portfolio, the scale of life cover in the Company's policies is relatively low, and is mitigated with reinsurance to achieve low levels of risk retention, in line with the Company's low appetite for mortality risk.

For the historic APICIL life portfolio, no reinsurance is taken and the Company takes the mortality risk with Group guidance. The current amount additional death cover is EUR6.0m and therefore the amount of mortality risk exposure is limited.

Longevity Risk

Longevity Risk is the risk of loss arising to the Company through policyholders surviving for longer periods than expected. It is a risk most typically associated with annuity business, but can be present in other types of business. The Company currently has no appetite for writing further longevity risk beyond that represented in its closed books.

Expense Risk

Expense risk is the risk of loss arising through increases in the Company's expense levels, or inflation over time. Expense risk is a significant risk for the Company, and one which it must accept in order to write business. The Company will monitor expense experience on an on-going basis and has set limits for actual expenses relative to budgeted expenses The Company has a low appetite for expense risk.

Life Catastrophe Risk

This relates to the risk of losses arising due to mortality risk exposure from extreme or irregular events whose effects are not sufficiently captured by the Mortality Risk Limits. The Company has a low tolerance for exposure to Life Catastrophe Risk and through product design and reinsurance will ensure that any exposure remains within the limits identified.

Risk on Mix Euro/UL in the collection of APICIL Life portfolio

This relates to a deviance of collection versus expected one as defined in the Business plan.

Arbitrages/switches in APICIL Life portfolio

This relates to not realizing the transfers of Savings to Unit linked as expected in the Business plan, resulting in increased Euro Funds portfolio versus what was expected and so distorting the portfolio balance.

4.2 - Market risk

Market Risk is the risk of loss resulting from fluctuations in the level of market prices of assets, liabilities and financial instruments.

Control is exercised depending on the portfolio respectively through the Investment Committee or at APICIL Group level for the former APICIL Life portfolio.

OneLife's appetite for Market Risk has two key elements – a policyholders' fund element and a shareholders' fund element:

In respect of policyholder funds, the Company has no appetite for direct Market Risk, and future products issued out of Luxembourg will be designed such that no guarantees will be provided which will directly expose the Company to Market Risk. The existing guaranteed portfolios have some inherent risk that is managed with a robust asset liability matching overseen by the Investment Committee, the appetite for this residual risk is low.

The branch in France issues products with guarantees that expose the Company to Market Risk. The mitigation actions are performed with asset allocation and market risk monitoring at APICIL Group level. This entails also determining lower technical rates and benefit participation on those product in case of adverse situation.

The Company earn fee income based on the value of policyholder funds, and therefore will accept Market Risk at this second order level. Control is exercised depending on the portfolio respectively through the Investment Committee or at APICIL Group level over the investments permitted to be held in policyholder portfolios.

In respect of the shareholder portfolio, the Company has a low appetite for Market Risk. The Company will invest primarily in lower risk assets, such as cash, conservative investment funds and fixed interest securities. However, the Company is willing to take on some risk, through allowing to invest in non-government fixed interest securities with a view to generating additional returns, subject to specific limits contained in the Investment Policy set by the Company's Investment Committee. These limits are designed to keep the Company's direct market risk within the risk tolerances set out in this document, and will be reviewed as appropriate in light of any changes to this document.

It can take the form of:

Interest Rate Risk

Interest Rate Risk is the risk of loss resulting from adverse changes in interest rates. The Company is exposed to Interest Rate risk through direct holdings of fixed interest securities supporting guaranteed funds, through shareholder investment in bonds and bond funds and through the second order impact of changes in interest rates on policyholder funds. The Company for its historical portfolio has a low tolerance for direct interest rate risk and has determined an investment policy for shareholder and guaranteed funds on that basis.

Capital Market Risk

For OneLife, Capital Market Risk primarily relates to the risk of loss resulting from fluctuations in the market prices of equities and other market priced assets. The Company has no tolerance for direct equity or asset exposure other than where an exposure is required for operational reasons through a temporary shareholder holding in unit funds, either as a box position or for seeding funds, for which the appetite is low.

The Company accepts Capital Market Risk through the second order exposure to policyholder unit funds (through fee income). This is part of the business model and at Global Risk Assessment Profile and Evaluation (GRAPE) level, this risk is accepted.

Risk Limits for Capital Market Risk are set out in the Risk Appetite Statement.

Foreign Exchange Risk

Foreign Exchange Risk is the risk of loss resulting from adverse movements in currency exchange rates.

The Company has a low tolerance for Foreign Exchange Risk. The risk appetite of the Company is compatible with writing business in territories where the Euro is not the local currency. However, it is likely that policyholder requirements will mean that the Company will earn fee income in non-Euro currencies whilst typically incurring at least some expenses in Euro.

The Company has a low tolerance for some level of Foreign Exchange Risk, primarily for operational purposes, but has determined overall limits for aggregate currency exposures within which it must operate.

These Risk Limits are set out in the Risk Appetite Statement.

APICIL Life did formalize its market risk management in an investment risk management document validated by its BoD in 2017. The follow-up of these risks is performed, amongst other by producing risks indicators aiming at value the evolution of eligible risks and validate that risk exposure is aligned with its risk appetite.

For APICIL Life, the main Market risk are related to:

Variable assets /shares portfolio risk

Share risk is the potential significant negative market impact on the value of eligible assets and own funds.

This could also result in setting-up specific provision affecting the result and guaranteed rates. For Unit Linked, a reduced value of assets results in reducing the future margin of the Company and its own funds. In addition, a significant drop of the shares' market, switches from Unit linked to Euro Funds business could disturb the realisation of the strategy and impact the reduction of its solvency ratios.

It is considered by APICIL Life as an important risk.

This risk is mitigated by setting-up thresholds on exposures per portfolio, being defined to manage the risk in the frame of the agreed strategy. These thresholds are followed-up on a monthly basis. Alerts are reported when indicators reach 90% of the threshold and mitigating actions are then initiated to avoid crossing over the thresholds.

Absorbing the impact via contribution to benefits also allows reducing the impact.

Spread risk

Spread risk is the potential impact of an increase of the credit spread on own assets. It is assessed as the spread between the actuarial rate of a company's bond and a theoretical sovereign debt (without risk) with similar maturity.

It is considered by APICIL Life as an important risk.

When markets are nervous, the credit spreads on bonds can increase what can lead to deterioration of market value of these bonds reducing the own funds and solvency ratio. This has also an impact on the counterparty risk, potentially requiring additional provisions affecting the result and guaranteed rates portfolio.

Strategic review and allocation (through specific limits/thresholds) by category at the level of the entity does circumvent this risk. Setting limits on concentration of issuers also reduces the risk

Absorbing the impact via contribution to benefits also allows reducing the impact.

Concentration risk

Concentration Risk is the potential risk of overweighting one single business segment in own assets. It also includes concentration risk on issuers and geographical areas. This can result in reduced market value of related investments and impact the results of the Company. This is considered as an important risk for APICIL Life business mainly for what relates to insurance and financial business segment. The banking and financial sector has to be considered as a unique systemic risk as evidenced by the 2008 and 2011 financial crisis which resulted in massive issues on liquidities. A dedicated follow-up of the sector risk is done on a monthly basis via numerous financial indicators. Thresholds on the concentration in banking and financial business segment have been out in place and are followed-up on a monthly basis.

In order to mitigate such risk, APICIL Life diversified and diluted its investments through maximum exposures on issuers, business segments, etc.

4.3 - Credit risk

Credit Risk describes the risk of loss resulting from fluctuations in the credit standing of issuers of securities, counterparties and debtors to which the Company is exposed. It can take the form of:

- Investment Counterparty Risk
- Reinsurer Counterparty Risk
- Policyholder Counterparty Risk

Investment Counterparty Risk

Investment Counterparty risk reflects the risk of loss arising from a counterparty defaulting and being unable to fully discharge an obligation to the Company, and/or spread risk. It will typically include counterparties to fixed interest securities, and other parties that the Company is exposed to, consideration is also given to intra-Group exposures and financial deposits or current accounts

The Company has a medium-low appetite for investment counterparty risk and has set specific limits in the Investment Guidelines Policy, which must be adhered to in relation to investments held directly in shareholder funds. The risk of default on investments in unit-linked funds is passed to policyholders and the risk to the Company is a second order effect driven by a reduction in fee income.

The Company will monitor exposures to relevant third parties. The Company has determined Risk Limits for Investment Counterparty Risk exposures, and will actively monitor these exposures to ensure that they remain within these limits.

Spread risk is treated as a sub-risk of Investment Counterparty Default Risk and relates to the risk of loss arising from changes in the value of market securities driven by changes in the credit standing of counterparties. For OneLife, the risk manifests itself primarily through the shareholder portfolio of fixed interest investments and the guaranteed portfolio. Changes in the credit spreads of fixed interest counterparties (whether corporate or sovereign) will affect the value of those assets.

The Company has a low tolerance for spread risk and has set out a defined Investment Policy to limit exposure by credit rating and concentration limits of counterparties.

Risk limits for the Company's exposure to spread risk are set out in the Company's Investment Policy reviewed at least annually in the context of these risk limits.

Reinsurance Counterparty Risk

Exposures to re-insurers will be monitored as appropriate, and the Company will apply defined limits reporting to the Board. The Board's tolerance to Reinsurance Counterparty Risk is low.

The majority of reinsurance for the historical portfolio of OneLife is placed with Munich Re (over 90%). This does not generate a significant concentration of reinsurer credit risk due to the risk premium structure of the reinsurance, which does not cause significant reserves to build up on the reinsurer's balance sheet. Credit risk is therefore limited to claims incurred but not yet reimbursed by the reinsurer, and to accrued profit share not yet received.

The former APICIL Life portfolio is not reinsured.

Policyholder Counterparty Risk

On occasions, some policyholder funds have issues to liquidate part of the holding to meet fees due, and this creates an exposure for OneLife. The Board expects these exposures to be minimised and action for recovery taken at the earliest opportunity, hence their tolerance for this risk is low.

4.4 - Liquidity risk

Liquidity Risk is the risk of losses in the event that insufficient liquid assets are available to meet the cash flow requirements of the obligations to any counterparties, such as employees, service providers and policyholders in respect of surrenders when they fall due.

This can be caused by:

- Lack of short term resources to face cash-outs
- Incidents from treasury/liquidities management tools
- Incident with a third party bank

The Company has a low tolerance for liquidity risk. Robust modelling of medium term liquidity needs is completed as part of the annual planning exercise and a safety margin is maintained for short-term liquidity based on recent experience of cash demands. The investment of shareholder funds backing the guarantee funds must be in line with the Asset and Liability Matching Policy which takes account of the Company's projected liability profile, including the projected duration of liabilities, with assets backing policyholder liabilities suitably matched by duration. Furthermore guidelines and monitoring are in place for the policy advance made on former APICIL Life portfolio.

The Company's Investment Policy Guidelines for shareholder funds requires investment in liquid assets which are listed on recognised markets. Where unlisted assets, or other assets which may have less liquidity than typical listed assets, are held within unit funds, the Company will clearly set out the basis for transferring those assets back to policyholders if claims are made on a policy at a time when the assets cannot readily be realised.

The Company's Investment Committee will determine the eligibility of assets or types of asset into unit funds on a case-by-case basis, where the automatic criteria for inclusion in the fund, determined by the Investment Committee, have not been met.

OneLife also monitors the ratio of shareholders' cash at bank, in hand, unused facilities and cash deposits divided by Expenses (monthly average).

The balances of miscellaneous cash accounts are monitored on a daily basis.

For APICIL Life, a rating on liquidity has been developed within the APICIL Group to grant a score for each asset. In terms of its level of liquidity being defined as the average delay to confirm a quote/price on an institutional scale. Liquidity limits have been defined for each portfolio in alignment with related liabilities commitments.

Sinistrality peaks are estimated as well as potential movements resulting from expenses and claims by the business segments in the frame of risks chart. Within APICIL Life, potentials out-flows from Euro Fund business are estimated in case of massive claims/surrenders based on historical data. It is concluded that the available liquid assets do significantly cover such massive claim scenario.

The Company writes only a small amount of regular premium business and those future recurring premiums have been considered outside the contract boundaries for the valuation of technical provisions. The Company does not take credit for any material expected profit included in future premiums.

4.5 - Operational risk

Operational Risk is the risk of loss resulting from inadequate or failed processes, people and systems or from external events.

The Company has a medium-low appetite for Operational Risk, but sees it as an inevitable corollary of writing insurance business. The Company will seek to minimise operational risk through a robust operational risk management process.

The Company has an operational risk policy and uses a three-level categorization of Operational Risk Events:

- **Level I:**
  Seven different event types are defined, in line with the Basel II definitions.
- **Level II:**
  For each Level I event type, Level II event types are developed to provide more detail on the type of the event to answer the question "what has happened?". The Level II event types are closely related to the Basel event types, but some adjustments were made for the application to the insurance industry.
- **Level III:**
  Facilitates the categorization by giving more concrete examples that add to level II and I. Supports the analysis of reported losses by various stakeholders.

The operating model is described in the Operational Risk policy and the events types on the three levels are listed in Appendix I of the same policy.

Furthermore the services outsourced to the APICIL Group for the portfolio of the French branch is subject to outsourcing monitoring to limit the operational risks.

The collection of risk event data enables the Company to supplement the risk information provided by the risk assessment process undertaken by business areas.

4.6 - Stress Testing

In its 2019 ORSA, the Company has considered a number of stresses to quantify key sensitivities. We have based them on those used in the previous ORSA, but have extended them to incorporate those deemed significant to the APICIL Life portfolio, specifically to the Euro-fund portfolio.

Where possible, the Company has aligned the stresses to the APICIL Group ORSA.

Specific interest rate Stress (Stresses 1 and 2) were applied only on the APICIL Life portfolios due to the low remaining guaranteed portfolio in the Company.

For ease of comparison, dividends were assumed to continue as per the Base Scenario in all of the stresses.

When modelling the value of the in-force portfolio in the stressed conditions, we anticipated that management would be able to take some corrective action to reduce future expense levels following a fall in assets under management. For this purpose, we assumed that 75% of the expense base was fixed and that 25% could be varied in proportion to the Assets Under Management.

Scenario de Risques Redoutés (SRR)

In addition to the stresses, we considered a combined scenario (Scénario de Risques Redoutés, or "SRR") aligned to the APICIL Group SRR considering the following components:

- Interest Rates
- Equities & spreads
- Sales
- Expenses
- Lapses
- Dividends

Reverse Stress Test

Further, we have considered a Reverse Stress Test to quantify a scenario in which the Company's solvency position would be such that the Company's business model would no longer be viable considering the following components.

- Interest Rates
- Equities & spreads
- Sales
- Expenses
- Lapses
- Operational risk
- Erosion of Fees
- Dividends

Quantitative results – Summary & Conclusion

In all of the stresses and the SRR, the solvency capital is sufficient to maintain the OLC post-Merger solvency ratio above its minimum coverage ratio of 110%.

In a number of stresses, as well as the SRR, whilst remaining above the 110% minimum, the coverage ratio falls below the 140% target. In these cases additional management actions would be necessary to restore the ratio to its target level, for example:

- adjusting the dividend distribution level;
- reducing the expense base;
- actions to reduce the solvency requirements of the guaranteed rate portfolio, including:
  - limiting premiums;
  - reviewing the asset portfolio (particularly with regard to duration and sovereign/non-sovereign mix);
  - taking action on the level of guaranteed rates and bonus rates;
  - incentivising switching to unit-linked funds.

For the more severe stresses and scenarios, management may consider targeting a reduction in specific SCR components through reinsurance solutions, notably the mass lapse and market risk elements.

In the Reverse Stress Scenario, the coverage ratio falls below the Company's 110% minimum threshold in the 2022 projection year. In addition to the above actions, management may consider reinforcing Own Funds with external or APICIL Group financing e.g. subordinated loans.

4.7 - Other material risks

Product Design and Pricing

New business pricing risk is the risk of losses arising from accepting new business premiums at unprofitable rates. It is an important risk for the Company to monitor. Whilst it may be important for the Company to write business on competitive terms, and there may be occasions where it is appropriate to apply special terms, the Company has no appetite for writing unprofitable business more generally. Review of issued policies is performed on a regular basis and should business have been written at unprofitable terms, reporting is made to the Executive Committee for actions and / or decision. The analysis is based also on the Expense analysis performed that allocates the expenses in accordance with the different activities. From this analysis a product target pricing is derived.

The process for minimising new business pricing risk requires the profitability of new product developments to be assessed by the Head of Actuarial. Exception requests in respect of individual cases or sub-products are coordinated by Sales & Marketing and must be approved by the Actuarial Team. In case of disagreement, the pricing exception is submitted to the CEO for decision. Periodic reviews of the current pricing of existing products are undertaken at a portfolio level.

The New Business Product Approval process has been revised in light to the Insurance Distribution Directive (IDD). It is not strictly a risk in its own right, but is a key control. A robust product approval process is central to ensuring that the Company does not inadvertently accept new risks or otherwise increase its risk profile.

Risk Concentration

Within OneLife, risk concentration is monitored and controlled at Shareholders cash balance level: any excessive exposure due to high concentration of shareholder investments in a single entity or Company of related entities, or in a single geographic location or industry are all prescribed with Investment Policy Limits and reported monthly to the Investment Committee.

Consolidated shareholders cash balance per Bank on a Company level is reported by Treasury. Concentration limits for exposures to individual banking companies, are set to minimise the outcome of counterparty defaults.

In addition, the Risk concentration is monitored and controlled at partner level: OneLife developed Key Risk Indicators in order to monitor Broker, Sales person and Custodian concentration.

Sales Risk

Sales risk, is the risk of not reaching the budgeted sales figures or having a surrender rate higher than expected. This risk is monitored each month.

Legal, Regulatory & Compliance Risk

Legal/regulatory (compliance) risk is the impact arising from failure to comply with statutory or regulatory obligations. OneLife considers legal risk as the outcome of other risks crystallising, in particular operational risk. The Company has no appetite for material legal / regulatory risk and will invest in people, systems and governance controls to minimise the possibility of failing to meet legal and regulatory obligations.

Strategic Risk (including Reputational Risk)

The Company is subject to Strategic Risks which are beyond its control, the impact of which may be to render the Business Model unviable. An annual exercise of Reverse Stress Testing has been undertaken by the Executive Committee and presented to the Board for their consideration of events which could have such an impact. A key output from the process is to ensure appropriate early warning measures are in place and that Management actions have been considered and documented should such events arise.

The Company has a low appetite for unprofitable classes of business arising from strategic positioning, or resulting from adverse pricing experience.

Reputational risk is the current and prospective impact on earnings and solvency capital arising from negative opinions exhibited by the public, regulators or tax authorities. Reputational risk can be seen as arising from other risks, in particular operational risk ("cascading effect"). It is considered one of the effects of operational risk events.

The Company has no appetite for reputational risk. OneLife continues to invest heavily in building in its chosen markets and in developing the necessary systems and controls to minimise reputation risk.

One area where Reputation Risk can arise relates to policyholder expectations which can be driven in part by product literature and the sales process. The Board is responsible for ensuring that the reasonable expectations of policyholders are met.

In addition, the Company will carefully select the distributor companies with which it will enter into distribution agreements and will verify the regulatory status of all agents, and where appropriate, implement a programme of on-going sales monitoring in all jurisdictions, and field visits / audits to ensure proactive monitoring of the activities of agents.

4.8 - Prudent Person Principle

The prudent person principle for investment purposes is covered through the regular monitoring of the Investment Committee that applies for the own portfolio and portfolios with guarantee return.

OneLife believes that prudent management of risk is a central element of the investment function and that diversification among asset classes will maximize the probability of achieving investment goals while minimizing the risk of loss associated with any single security, asset class, industry sector, or geographical region.

For the historical portfolio of OneLife, the Investment Committee oversees and guides the investment process and its policies subject to the following principles:

- To act solely in the interest of OneLife, its clients, and its shareholders
- To act with care, skill, prudence and diligence under any circumstances
- To prudently manage the costs of implementing this Investment Policy.

This is fully documented in the Company Investment Policy Guidelines

For portfolios where policyholders bear the investment risk, the decision about the asset classes are determined by the policyholders and/or their advisors. The Company ensures that those decisions comply with their investment strategies and with regulatory-determined investment limits.

The monitoring of the former APICIL Life portfolio is made at APICIL Group level.

4.9 - Any other information

As at 31 December 2019, the Company has commitments amounting to EUR 1,909,625 (2018: EUR 2,741,985) in relation to IT hardware, software and IT contractors, commitments amounting to EUR 872,635 (2018: EUR 605,566) in relation to car leasing contractors and commitments amounting to EUR 2,365,654 (VAT included) in relation to building lease (2018: EUR 3,202,099).

5. VALUATION FOR SOLVENCY PURPOSES

5.1 - Assets

As at 31 December 2019, The OneLife Company held the following assets:

Balance sheet: Assets (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Intangible assets	**a**	**5.32**	**0.00**
Investments		**436.90**	**472.57**
Shares, other variable yield transferable securities and units in unit trusts	b	50.53	53.68
Debt securities and other fixed income transferable securities	c	356.41	388.93
Other loans	d	24.46	24.46
Deposits with credit institutions	d	5.50	5.50
Investments for the benefit of life insurance	**e**	**7,023.06**	**7,023.06**
Debtors	**f**	**84.07**	**80.60**
Other assets		**106.47**	**106.36**
Cash at bank and in hand	g	106.23	106.23
Tangible assets and stocks		0.13	0.13
Any other assets, not elsewhere shown	**h**	**5.33**	**1.22**
Deferred acquisition costs	**i**	**8.25**	**0.00**
Total assets		**7,669.41**	**7,683.82**

The valuation principles applied to the assets are as follows:

a. For the Statutory Accounts, intangible assets are composed of goodwill (recognised as a result of the acquisition in 2015 of 100% of the shares of Altraplan Luxembourg S.A. and amortised over an eight-year period), establishment charges (which are amortized on a five years basis) and technical policy management and other software costs, which are valued at purchase price including the incidental expenses, less cumulated depreciation amounts and amortized over a seven, five or three years period. For Solvency II, intangible assets are taken at nil value.

b. For the Statutory Accounts, shares and other variable yield transferable securities and units in unit trusts are valued at historical acquisition cost or market value. For Solvency II, they are valued at market value.

c. For the Statutory Accounts, debt securities and other fixed income transferable securities are valued at amortised cost. For Solvency II they are valued at market value.

d. Deposits with credit institutions and other loans are valued at nominal value.

e. Investments for the benefit of life insurance policyholders who bear the investment risk are valued at market value.

f. Debtors are valued at the lower of their nominal and their probable realisation value. Value adjustments are made when recoverability is questionable, either in part or entirely. These value adjustments shall no longer be carried when the reasons for which they were made cease to apply. For Solvency II purposes, a value adjustment was applied in respect of EUR 3.47m of debtors representing prepaid software and application development costs, which were taken at nil value for Solvency II Purposes.
g. Cash at bank and in hand is valued at nominal value.
h. Any other assets include other expenditure incurred during the financial year which relates to a subsequent financial year and income relating to the current financial year, but which is not receivable until a subsequent financial year. For Solvency II, this item excludes accrued interest on debt securities, which is instead included in the "Debt Securities and other fixed income and transferable securities" line.
i. For Statutory Accounts, some acquisition costs relating to life insurance policies are deferred and recognized as an asset. The deferred acquisition costs are amortised over the acquisition charge earning period, on a straight line basis. Additional amortisation is recorded on fully surrendered policies. For Solvency II, deferred acquisition costs are not recognized as an asset and are taken at nil value.

5.2 - Technical provisions

Overview

The value of technical provisions under Solvency II requirements equals the sum of the Best Estimate Liability (BEL) and the Risk Margin (RM). The BEL is the expected present value of the probability-weighted average of future cash flows, using the relevant risk-free interest term structure.

The Risk Margin (RM) represents the cost of holding the Solvency Capital Requirement (SCR) over the lifetime of the insurance obligations. It is calculated with a "cost of capital" approach by applying the cost of capital rate to the discounted value of the projected SCR.

Summary of Amounts of Technical Provisions

The amounts of technical provisions as at 31 December 2019 for the purposes of financial statements and Solvency II are as follows:

Balance sheet: Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
OneLife portfolio			
Unit Linked Technical Provisions	a	5,423.89	5,311.00
Technical Provisions excluding Unit Linked	b	27.53	27.22
Risk Margin	c	0.00	26.03
OneLife Portfolio Technical Provisions		**5,451.42**	**5,364.25**
APICIL Life portfolio			
Unit Linked Technical Provisions	d	1,599.17	1,578.43
Technical Provisions excluding Unit Linked	d	431.00	447.38
Risk Margin	e	0.00	16.65
APICIL Life Portfolio Technical Provisions		**2,023.17**	**2,042.46**
Total Technical Provisions		**7,481.59**	**7,406.71**

a. One Life Portfolio Unit Linked Technical Provisions

The portfolio mainly comprises single premium (with possible additional premiums) and regular premium unit-linked policies allowing investment into a range of internal or external collective funds which the Company makes available, or to one or more dedicated funds where the policy value is linked to an individual investment fund whose assets are managed according to the investment strategy selected by the policyholder.

Unit Linked Technical Provisions correspond to liabilities for those policies, for which the benefits are determined by reference to the value of the investments and where the investment risk is borne by the policyholders.

For the Statutory Accounts, they were evaluated as the net asset value of units allocated to policies on the valuation date, with assets taken at their market value. An additional technical provision (EUR 0.42m at 31 December 2019) has been included in this line of business in respect of loyalty bonus funded from annual management charges.

For Solvency II, the value of technical provisions was determine by evaluating a Best Estimate Liability (BEL) by projecting forward the cashflows expected to arise from policies in-force at the valuation date on a best-estimate basis and discounting those cashflows using the risk-free rates provided by EIOPA.

Cashflows were modelled on a policy-by-policy basis for 98% of the portfolio, with the remainder being modelled using a model point approach for groups of contracts possessing similar technical characteristics. Cashflows included in the projections were:

- management fees, rebates and other fees and charges;
- claims (mortality, surrender and maturity);
- maintenance expenses;
- trail and renewal commission.

The Company did not apply the matching adjustment, volatility adjustment, transitional risk-free interest term structure or transitional deduction referred to in, respectively, Articles 77b, 77d, 308c and 308d of the Solvency II Directive.

The BEL was calculated net of reinsurance with adjustment for the expected net profit from reinsurance profit share arrangements.

At the valuation date, amounts recoverable from reinsurance contracts were limited to recoveries due in respect of claims paid and reimbursements due under reinsurance profit share arrangements.

The assumptions about incomes and expenses were determined on the basis of internal observations and analysis, made separately for each part of the modelled portfolio. The probabilities of lapse were determined based on the observations made over the previous three years.

The principal assumptions were as follows:

Economic assumptions	
Risk free rates	EUR Risk free zero coupon curve as at the valuation date provided by EIOPA
Risk discount rates	Equal to the risk free rates
Fund growth rates	Equal to the risk free rates
Currency rates	All cash flows were converted to EUR using rates published by the ECB as at the valuation date

Demographic assumptions	
Surrender Rates	Surrender rates were based on an average of the last 3 years' experience prior to the valuation date, derived on an amounts basis per product grouping.
Mortality	As there is insufficient Company experience to derive the mortality assumptions on a standalone basis, industry standard tables have been used in the valuations for all products.
Expense Assumptions	
Maintenance Expenses	Expenses were modelled on a per-policy basis, which implicitly assumes a going concern approach. Per-policy costs were derived from analyses of Company expenditure over the 12 months prior to each valuation date. The analyses allocated expenses by type (acquisition, maintenance and custody) and by product grouping.
Expense Inflation	was set at 1.6% p.a. (2019)
Fund Management Assumptions	
External Fund Management Charges	Based on fund data applicable at the valuation date.
Trail Commissions	Based on trail commission arrangements in place at the valuation date.
Investment Fund Rebates	Based on retrocession arrangements in place at the valuation date.
Product Specific Assumptions	
Charges	Management charge rates were taken from policy data extracts from the administration systems.

b. OneLife Portfolio Technical Provisions excluding Unit Linked

The Company's historical business includes a number of guaranteed fund portfolios in run-off, namely *Taux Minimum Garanti* (TMG) and *Taux Régulier Garanti* (TRG) funds and guaranteed portfolios mainly written on the Danish market (53A & G82 portfolios).

The 53A and G82 products consist of single and regular premium policies originally issued by Danica Life and Pension (53A product) and Nordea Life & Pensions S.A (G82 product) for the Danish market. The policies include endowments, whole of life policies, deferred and in-payment annuities, term assurances and waiver of premium and disability benefits. Guaranteed returns are administered by allocating a number of units to policies, the price of which is increased at the relevant guaranteed rate on a weekly basis.

For both the Statutory Accounts and Solvency II, the technical provisions were calculated as the sum of:

- the number of units allocated to policies, multiplied by the price at the valuation date;
- strengthening reserves, determined by revaluing liabilities (including allowance for future bonuses) on a market-consistent basis.

A number of additional provisions are also included, relating to a small number of traditional annuities and, for the financial statements, to mortality and disability.

c. OneLife portfolio - Risk Margin

The market risk component of the SCR was excluded from the calculation, by assuming that the assets are selected in such a way that they minimise the SCR for market risk, in accordance with Article 38 (1) (h) of the Delegated Regulation.

Guideline 62 of the EIOPA guidelines on the valuation of technical provisions sets out a hierarchy of simplifications for the risk margin. For the OneLife portfolio, the Company uses method 2 (the second most precise method) where the SCR for each future year is proportional to the ratio of the best estimate for the relevant year to the best estimate at the valuation date. For that purpose, the best-estimate was assumed to evolve in proportion to the projected assets under management of the in-force portfolio.

The projected SCR at each future time period was then discounted back to the valuation date using risk free rates. The result of the calculation was then multiplied by the cost of capital rate of 6% to give the Risk Margin.

d. APICIL Life portfolio - Best Estimate Liability

The Solvency II technical provisions were calculated according to a stochastic method: 1000 simulations were carried out, for modelling equity, inflation, real estate and yield curve indices.

For the BEL calculations at 31/12/2019, the Economic Scenario Generator (GSE) has been calibrated according to the following methodology:

- for the equity model: the parameters were calibrated on Eurostoxx 50 calls with a 1-year maturity for different strikes at 31/12/2019;
- for the interest rate model: the parameters have been calibrated on swaptions with a currency of maturity ranging from 1 to 15 years at 31/12/2019;
- for the real estate model: the parameters used have been determined taking into account expert opinion.

Martingale tests on the generated scenarios were carried out.

The projections made on 31/12/2019 also include the following assumptions and methods:

General methodology

- The projection is carried out over a horizon of 40 years; the remaining provisions after 40 years are included in the Best Estimate provisions at their book value. At the end of the projection date, the unrealized gains or losses on non-depreciable securities are divided between insurer and insured;
- BE calculations are carried out by model point; the financial profits of one model point cannot cover any deficits in the other model points. The model point groupings, defined internally, are classified by the characteristics of liabilities.

Assets

- The asset allocation is kept constant as a percentage of the market value; the usual management rules (rate of realisation of unrealised capital gains, maturity of bond reinvestments) are applied;

Profit-sharing

- The profit sharing clauses specific to each group of contracts have been taken into account;
- The provision for participation in surpluses (provision pour participation aux excédents, PPE) has been modelled taking into account the regulatory constraint of release time and internal management practices.

Policyholder behaviour

- The structural redemption rates used are constructed from the redemption histories of the portfolios considered;
- The cyclical redemption rates corresponds to the "minimum" law proposed by the ACPR with the target rate as the reference rate, the rate also used for steering PPE;
- No future premiums are projected.

Expenses

- The cost projection assumptions were estimated on the basis of the actual costs observed in 2019 and taking into account the maturity of liabilities.

Reinsurance

- No sums at risk arising on the APICIL Life portfolio are ceded to reinsurers.

e. APICIL Life portfolio - Risk Margin

The risk margin was determined using the formula:

$CoCM = (CoC/(1+r_1)) \bullet Dur_{mod}(0) \bullet SCR_{RU}(0)$,

where:

SCR_{RU} (0)	SCR at 31/12/2019, without taking into account the SCR Market Risk and adjustment for deferred taxes
CoC	Cost of capital rate
Dur_{mod}	the modified duration of insurance liabilities

This uses method 3 (the duration-based approach) of the hierarchy of simplifications proposed by EIOPA.

The Company has performed the necessary due diligence taking into account its risk profile in order to justify the use of this method.

f. APICIL Life portfolio – Volatility Adjustment

The valuation of the Solvency II technical provisions of the APICIL Life portfolio takes into account the Volatility Adjustment (VA).

The application of the VA involves the following impacts as of 31/12/2019:

Amount of technical provisions	-2.1M €
Solvency Capital Requirement	-1.0M €
Minimum Capital Requirement	-0.4M €
Basic Own Fund	+1.4M €
Eligible Own Funds to cover the MCR	+1.4M €
Eligible Own Funds to cover the SCR	+1.4M €

Uncertainty associated with the value of the technical provisions

The value of the technical provisions at the valuation date is highly sensitive to the assumptions underlying the calculation of the Present Value of Future Profits (PVFP) and, in particular, to the assumptions of future lapse experience, maintenance expenses, investment fund rebates, trail commissions and investment performance and discount rates.

The evolution of technical provisions is also highly sensitive to the development of assets under management, which is itself sensitive to market performance, levels of new business written and lapse experience.

Differences from the Statutory Account valuation & Other Information

A comparison of the technical provisions for the purposes of the financial statements and Solvency II has been shown in the table above.

The differences arise from the inclusion of the PVFP and the Risk Margin in the Solvency II technical provisions.

No securitisation arrangements were in place.

5.3 - Other Liabilities

The amounts of other liabilities as at 31 December 2019 for the purposes of the financial statements and Solvency II are as follows:

Balance sheet: Other Liabilities (mio EUR)	Notes	Statutory accounts valuation	Solvency II valuation
Subordinated Liabilities	**a**	**6.94**	**7.42**
Provisions for other risks and charges	**b**	**5.64**	**5.64**
Provisions for taxation		0.85	0.85
Other provisions		4.79	4.79
Creditors	**c**	**77.25**	**77.25**
Accruals and deferred income	**d**	**0.73**	**0.73**
Deferred Tax liabilities	**e**	**-**	**1.11**
Total of other liabilities		**90.56**	**92.15**

a. For Solvency II, subordinated loans were valued by discounting payments of interest and capital at risk-free interest rates. The basis differs from that used in the statutory accounts, which valued subordinated liabilities at nominal value.
b. Provisions for other risks and charges include the provisions for taxation and the other provisions. The provisions for taxation include the Company's best estimate of income tax liabilities for financial years for which a definitive taxation assessment has not yet been received from the fiscal authorities and final unpaid tax liabilities. Advance tax payments are recognized under the category "Any other assets".
c. Creditors are valued at settlement value for both the Statutory Accounts and Solvency II.

d. Accruals and deferred income consist of both income received before the balance sheet date, but relating to a subsequent financial year, and charges relating to the current financial year, but payable in a subsequent financial year. They are valued at settlement value for both the Statutory Accounts and Solvency II.

e. For the purposes of Solvency II, an amount of EUR 1.11m was determined for the value of Deferred Tax Liabilities (DTL). This amount is presented net of relief from carried forward tax losses. The amount was calculated by applying the relevant tax rate for the company (28.69%) to the result of:

	(i)	Capital & Reserves on the Solvency II basis
less	(ii)	Capital & Reserves on the Financial Statements Basis
less	(iii)	Amount of tax losses carried forward

subject to a floor of zero.

The DTL was an amount of EUR 25.48m prior to allowing for the EUR 24.37m benefit from carried-forward tax losses.

5.4 - Alternative methods for valuation

The Company has not used alternative methods of valuation under Article 10(5) of the Delegated Regulations.

5.5 - Any other information

The Company has no further material information to disclose regarding the valuation of assets and liabilities for solvency purposes.

6. CAPITAL MANAGEMENT

6.1 - Own Funds

6.1.1 Capital Management Process

The objective of the capital management process is to ensure that the nature and amount of Own Funds are sufficient to meet regulatory capital requirements (i.e. the Solvency Capital Requirement and Minimum Capital Requirement) at all times.

The capital management process is summarised in the Capital Management Policy and includes the following key items:

- An annual Budget and Medium Term Capital Management Plan, carried out annually in the 4th quarter with a five-year time horizon and which takes into account different scenario hypotheses and any planned dividends or capital restructuring. A forecast exercise is also run quarterly, taking into account expected year-to-date performance.
- Stress and scenario analysis conducted within the ORSA process and summarised in the ORSA Report, which is used as an input to the Medium Term Capital Management Plan.
- The process for approval of any dividends or distributions of capital.
- Processes for simulating the solvency impact of planned new activities.
- Roles and responsibilities of the Actuarial Function, Group Executive Committee, ARCC and Board of Directors in the monitoring of capital adequacy on at least a quarterly basis.
- Processes to allow the Company to effectively manage a crisis situation that might lead to a capital shortfall against regulatory requirements or risk appetite.
- The roles of the CFO and the Investment Committee in managing and monitoring the investment of Own Funds.

6.1.2 Tiering and Quality of Own Funds

The following table shows the eligible amount of Own Funds to cover the SCR and the MCR classified by tiers and the corresponding solvency ratios. The amount of Own Funds is shown after taking into account a dividend of €0m to be paid in 2020 to OLH in respect of 2019 earnings.

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2019					
Subscribed capital	50.20	50.20	-	-	-
Share premium account	20.52	20.52	-	-	-
Reconciliation reserve	113.25	113.25	-	-	-
Subordinated Liabilities	7.42	-	7.42	-	-
Basic Own Funds	**191.39**	**183.97**	**7.42**	**-**	**-**
SCR	**137.46**				
MCR	**61.85**				
Ratio of Eligible own funds to SCR	**139.24 %**				
Ratio of Eligible own funds to MCR	**309.42 %**				

For comparison, the Own Funds at the end of the previous reporting periods were as follows:

Own Funds (mio EUR)	Solvency II value	Tier 1 - Unrestricted	Tier 1 - Restricted	Tier 2	Tier 3
31 December 2018					
Subscribed capital	32.23	32.23	-	-	-
Share premium account	3.61	3.61	-	-	-
Reconciliation reserve	90.30	90.30	-	-	-
Subordinated Liabilities	7.21	-	7.21	-	-
Basic Own Funds	**133.35**	**126.14**	**7.21**	**-**	**-**

The increase in Own Funds during 2019 was mainly due to:

- Capital increase resulting from the Merger (17.97 mio EUR)
- Increase in share premium resulting from the Merger (16.90 mio EUR)
- An increase in the reconciliation reserve, resulting from a higher PVFP due to higher AUM from investment performance, value of the acquired APICIL Life portfolio (including unrealised gains on the investment portfolio), and lower levels of ineligible intangible assets and deferred acquisition costs.

a. Subscribed Capital and Share Premium Account

The subscribed capital amounts to EUR 50.20m and is represented by 2,024,843 fully paid and called-up ordinary shares. The share premium account corresponds to an amount of EUR 20.52m.

b. Reconciliation Reserve

The reconciliation reserve, classified as Unrestricted Tier 1, comprises the following items:

EURm	31/12/2019	31/12/2018
Reserves	15.00	15.00
Profit brought forward	9.71	6.50
Profit for the financial year	1.84	5.21
Foreseeable dividend	(1.00)	(2.00)
Variation in the valuation of assets	14.41	(15.82)
Variation in the valuation of liabilities	74.40	81.40
Deferred tax liabilities	(1.11)	-
Reconciliation reserve	**113.25**	**90.30**

The reserves amounting to EUR 15.0m (2018: EUR 8.19m) are composed of the legal reserve of EUR 3.22m (2018: EUR 3.22m) and a free reserve of EUR 11.77m (2018: EUR 11.77m). In accordance with Luxembourg law, the Company allocates 5% of its net profit for each financial year until the legal reserve balance reaches 10% of the issued share capital. This level being reached since 2008, no allocation was made to the legal reserve during the reporting period.

c. Subordinated Liabilities

The Company's Own Funds included the following subordinated loan, valued on a Solvency II basis:

EURm		31/12/2019	31/12/2018
Loan - The OneLife Holding S.à.r.l.		7.42	7.21

Details of the loans are as follows:

- Loan towards The OneLife Holding Sàrl: Subordinated floating rate loan originally issued on 01/03/1995 with unlimited term, now owed to The OneLife Holding S.à.r.l. for a nominal amount of EUR 6.9 m.

The loan is subject to the transitional measures set out in Articles 308b(9) and 308b(10) of the Solvency II Directive (consolidated version), which can be applied for a 10-year period for subordinated loans issued before 1st of January 2016. Accordingly, the loan is classified as "Tier 1 – Restricted".

As at both December 2019 and December 2018, the Company had sufficient "Tier 1 – Unrestricted" Own Funds to fully cover its SCR and MCR, without recourse to subordinated liabilities.

d. Ancillary Own Funds, Deductions and Restrictions

The Company has no Ancillary Own Funds, applies no deductions to Own Funds and there are no material restrictions affecting their availability and transferability.

6.1.3 Comparison of Own Funds to Financial Statements

The following table reconciles the Capital & Reserves in the Company's financial statements to the excess of the assets over liabilities as calculated for Solvency II purposes.

Basic Own Funds: Reconciliation of Net Equity with Own Funds (mio EUR)	31/12/19	31/12/18
Total Equity in financial statements	**97.27**	**62.55**
Subscribed capital	50.20	32.23
Share premium account	20.52	3.61
Reserves	15.00	15.00
Profit / (loss) brought forward	9.71	6.50
Profit / (loss) for the financial year	1.84	5.21
Variation in the valuation of assets	**14.41**	**(15.82)**
Intangible assets	(5.32)	(6.54)
Deferred acquisition costs	(8.25)	(11.33)
Difference of valuation on the assets	27.98	2.05
Variation in the valuation of liabilities	**74.40**	**81.40**
Difference of valuation of the technical provisions	117.55	108.07
Risk Margin	(42.67)	(26.40)
Difference of valuation of subordinated liabilities	(0.48)	(0.27)
Subordinated liabilities (Solvency II basis)	**7.42**	**7.21**
Foreseeable Dividend	**(1.00)**	**(2.00)**
Deferred tax liabilities	**(1.11)**	**-**
Basic Own Funds	**191.39**	**133.35**

The difference between the Own Funds and the financial statements net equity arises from the differences between the valuations of assets, liabilities and technical provisions described in the sections above.

For the purposes of Solvency II, the value of Deferred Tax Liabilities was shown net of relief from carried forward tax losses.

6.2 - Solvency Capital Requirement and Minimum Capital Requirement

The table below shows the amounts of the Company's Solvency Capital Requirement split by risk modules.

Solvency Capital Requirement and Minimum Capital Requirement (mio EUR)	31/12/19	31/12/18
Market Risk	**86.60**	**41.60**
Interest Risk	9.75	1.32
Equity Risk	51.18	31.03
Property Risk	2.64	0.00
Spread Risk	28.11	8.74
Currency Risk	12.84	8.01
Concentration Risk	0.88	0.80
Diversification effect	(18.80)	(8.32)
Life Underwriting Risk	**85.38**	**60.07**
Mortality Risk	2.68	2.14
Longevity Risk	0.86	0.00
Disability - Morbidity Risk	0.00	0.00
Lapse Risk	62.45	48.70
Expense Risk	33.91	17.93
Revision Risk	0.00	0.00
Catastrophe Risk	0.56	0.53
Diversification effect	(15.08)	(9.23)
Counterparty Default Risk	**10.11**	**5.41**
Diversification effect	**(42.60)**	**(24.06)**
BSCR	**139.48**	**83.02**
Operational Risk	9.56	3.77
Loss-absorbing capacity of technical provisions	(10.47)	-
Loss-absorbing capacity of deferred taxes	(1.11)	-
SCR	**137.46**	**86.79**
MCR	**61.85**	**35.23**

The Company exclusively applies the Standard Formula to determine its Solvency Capital Requirement, without using simplified calculations and without using undertaking-specific parameters.

The Equity Risk SCR for the APICIL Life portfolio utilises the transitional measure for equities; equities purchased before 31/12/2015 benefit from the application of a reduced shock.

In accordance with Chapter VII of the Delegated Regulation, the Minimum Capital Requirement calculation is based on the net value of the technical provisions and the total capital at risk on death, evaluated at the reporting date. The result of the calculation is subject to a floor of 25% of the SCR and to a cap of 45% of the SCR.

Capital requirements moved as follows over 2019-2018:

mio EUR	31/12/19	31/12/18
Market Risk	86.60	41.60
Life Underwriting Risk	85.38	60.07
Counterparty Default Risk	10.11	5.41
Diversification effect	(42.60)	(24.06)
Operational Risk	9.56	3.77
Loss absorbing capacity of technical provisions	(10.47)	-
Loss absorbing capacity of deferred taxes	(1.11)	-
SCR	**137.46**	**86.79**
MCR	**61.85**	**35.23**

Over the year, the main change to the SCR was due to absorption of the APICIL Life portfolio, which contributed €45.7m to the SCR.

Without the impact from that portfolio, the SCR would have increased from €86.9m at 31/12/18 to €93.0m at 31/12/19. That increase was due in the main part to positive movements in equity markets over the year which led to a higher PVFP. As higher value generates greater sensitivity, this caused an increase in the market and life underwriting components of the SCR.

The market risk component also increased due to a more severe equity shock being applied due to changes in the symmetric adjustment.

The methodology relating to the longevity risk component was amended over the year on the OLC portfolio, to include the impact of a fall in mortality rates for unit-linked policies with a negative PVFP. This led to an increase in SCR of €0.8m.

6.3 - Use of the duration-based equity risk sub-module in the calculation of the Solvency Capital Requirement

The Company is not using the duration-based equity risk sub-module (set out in Article 304 of the Solvency II Directive) in the calculation of the Solvency Capital Requirement.

6.4 - Differences between the standard formula and any internal model used

The Company is not using an internal or partial internal model to determine the Solvency Capital Requirement.

6.5 - Non-compliance with the MCR and non-compliance with the SCR

The Company complied with its Solvency Capital Requirement and Minimum Capital Requirement throughout the reporting period.

The Company does not foresee a risk of non-compliance with its Solvency Capital Requirement or Minimum Capital Requirement during its business planning horizon.

The Company plans to ensure compliance with the SCR and MCR by the measures set out in its Capital Management Policy, which include:

- maintaining a sufficient buffer within its Own Funds above the SCR and MCR;
- reviewing the three-year business and Medium Term Capital Management Plan in the 4th quarter of each year, with a reforecast exercise in the 2nd quarter;
- performing a stress and scenario analysis at least annually within the ORSA process;
- reviewing the impact on solvency coverage of any potential dividend or redemption of subordinated loans;
- simulating the solvency impact of planned new activities or monitoring the impact in the change of the perimeter of the company;
- monitoring solvency coverage on at least a quarterly basis, or on occurrence of a significant event (including but not limited to Covid19 Pandemic crisis).

6.6 - Any other information

None

APPENDICES

A. QRT S.02.01.01 BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Assets			
Goodwill	**R0010**		**752,853.63**
Deferred acquisition costs	**R0020**		8,254,102.36
Intangible assets	**R0030**	0	4,563,423.17
Deferred tax assets	**R0040**	0	0
Pension benefit surplus	**R0050**	0	0
Property, plant & equipment held for own use	**R0060**	133,397.85	133,397.85
Investments (other than assets held for index-linked and unit-linked contracts)	**R0070**	448,109,513.08	416,655,533.75
Property (other than for own use)	R0080	0	0
Holdings in related undertakings, including participations	R0090	0	0
Equities	R0100	356.22	330.91
Equities - listed	R0110	356.22	330.91
Equities - unlisted	R0120	0	0
Bonds	R0130	388,934,093.21	361,294,549.62
Government Bonds	R0140	150,447,485.99	139,755,957.74
Corporate Bonds	R0150	238,453,934.79	221,508,241.32
Structured notes	R0160	32,672.41	30,350.55
Collateralised securities	R0170	0	0
Collective Investments Undertakings	R0180	53,675,063.68	49,860,653.25
Derivatives	R0190	0	0
Deposits other than cash equivalents	R0200	5,499,999.97	5,499,999.97
Other investments	R0210	0	0
Assets held for index-linked and unit-linked contracts	**R0220**	7,023,060,084.44	7,023,060,084.44
Loans and mortgages	**R0230**	24,456,233.54	24,456,233.54
Loans on policies	R0240	24,366,432.45	24,366,432.45
Loans and mortgages to individuals	R0250	0	0
Other loans and mortgages	R0260	89,801.09	89,801.09

A. QRT S.02.01.02
BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Reinsurance recoverables from:	**R0270**	0	0
Non-life and health similar to non-life	R0280	0	0
Non-life excluding health	R0290	0	0
Health similar to non-life	R0300	0	0
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	0	0
Health similar to life	R0320	0	0
Life excluding health and index-linked and unit-linked	R0330	0	0
Life index-linked and unit-linked	R0340	0	0
Deposits to cedants	**R0350**	0	0
Insurance and intermediaries receivables	**R0360**	25,203,902.67	25,203,902.67
Reinsurance receivables	**R0370**	0	0
Receivables (trade, not insurance)	**R0380**	55,393,215.34	58,866,687.34
Own shares (held directly)	**R0390**	0	0
Amounts due in respect of own fund items or initial fund called up but not yet paid in	**R0400**	0	0
Cash and cash equivalents	**R0410**	106,226,756.52	106,226,708.46
Any other assets, not elsewhere shown	**R0420**	1,235,893.94	1,237,188.51
Total assets	**R0500**	7,683,818,997.39	7,669,410,115.72
Liabilities			
Technical provisions – non-life	**R0510**		
Technical provisions – non-life (excluding health)	R0520		
Technical provisions calculated as a whole	R0530		
Best Estimate	R0540		
Risk margin	R0550		
Technical provisions - health (similar to non-life)	R0560		
Technical provisions calculated as a whole	R0570		
Best Estimate	R0580		
Risk margin	R0590		
Technical provisions - life (excluding index-linked and unit-linked)	R0600	479,553,695.40	458,529,565.81
Technical provisions - health (similar to life)	R0610	0	0
Technical provisions calculated as a whole	R0620	0	

A. QRT S.02.01.02
BALANCE SHEET

		Solvency II value	Statutory accounts value
		C0010	C0020
Best Estimate	R0630	0	
Risk margin	R0640	0	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	479,553,695.40	458,529,565.81
Technical provisions calculated as a whole	R0660	0	
Best Estimate	R0670	474,604,090.69	
Risk margin	R0680	4,949,604.71	
Technical provisions – index-linked and unit-linked	R0690	6,927,154,146.34	7,023,060,084.29
Technical provisions calculated as a whole	R0700	0	
Best Estimate	R0710	6,889,430,921.30	
Risk margin	R0720	37,723,225.04	
Other technical provisions	**R0730**	0	0
Contingent liabilities	**R0740**	0	0
Provisions other than technical provisions	**R0750**	6,364,879.07	6,364,879.07
Pension benefit obligations	**R0760**	0	0
Deposits from reinsurers	**R0770**	0	0
Deferred tax liabilities	**R0780**	1,110,161.26	0
Derivatives	**R0790**	0	0
Debts owed to credit institutions	**R0800**	0	0
Financial liabilities other than debts owed to credit institutions	**R0810**	0	0
Insurance & intermediaries payables	**R0820**	21,279,272.30	21,279,272.30
Reinsurance payables	**R0830**	4,142.15	4,142.15
Payables (trade, not insurance)	**R0840**	55,962,199.84	55,962,199.84
Subordinated liabilities	**R0850**	7,419,361.69	6,941,018.69
Subordinated liabilities not in Basic Own Funds	R0860	0	0
Subordinated liabilities in Basic Own Funds	R0870	7,419,361.69	6,941,018.69
Any other liabilities, not elsewhere shown	**R0880**	0	0
Total liabilities	**R0900**	7,498,847,858.05	7,572,141,162.15
Excess of assets over liabilities	**R1000**	184,971,139.34	97,268,953.57

B. QRT S.05.01.01
PREMIUMS, CLAIMS & EXPENSES BY LINE OF BUSINESS

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410		60,257,720.31	789,052,060.64						849,309,780.95
Reinsurers' share	R1420		36,916.14	878,374.08						915,290.22
Net	R1500		60,220,804.17	788,173,686.56						848,394,490.73
Premiums earned										
Gross	R1510		60,257,720.31	789,052,060.64						849,309,780.95
Reinsurers' share	R1520		36,916.14	878,374.08						915,290.22
Net	R1600		60,220,804.17	788,173,686.56						848,394,490.73
Claims incurred										
Gross	R1610		67,861,449.33	813,025,582.11						880,887,031.44
Reinsurers' share	R1620		0	79,507.42						79,507.42
Net	R1700		67,861,449.33	812,946,074.69						880,807,524.02
Changes in other technical provisions										
Gross	R1710		56,802,408.19	699,165,664.84						755,968,073.03
Reinsurers' share	R1720		0	0						0
Net	R1800		56,802,408.19	699,165,664.84						755,968,073.03
Expenses incurred	R1900		11,571,677.47	84,734,643.34						96,306,320.81
Administrative expenses										
Gross	R1910		472,707.50	46,342,889.68						46,815,597.18
Reinsurers' share	R1920									0
Net	R2000		472,707.50	46,342,889.68						46,815,597.18
Investment management expenses										
Gross	R2010		467,010.25	7,269,721.77						7,736,732.02
Reinsurers' share	R2020									0
Net	R2100		467,010.25	7,269,721.77						7,736,732.02

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Claims management expenses										
Gross	R2110		415,121.83	5,914,648.97						6,329,770.80
Reinsurers' share	R2120									0
Net	R2200		415,121.83	5,914,648.97						6,329,770.80
Acquisition expenses										**0**
Gross	R2210		10,216,837.89	25,207,382.92						35,424,220.81
Reinsurers' share	R2220			0						0
Net	R2300		10,216,837.89	25,207,382.92						35,424,220.81
Overhead expenses										
Gross	R2310									0
Reinsurers' share	R2320									0
Net	R2400									0
Other expenses	**R2500**									**11,530,082.27**
Total expenses	**R2600**									**107,836,403.08**
Total amount of surrenders	**R2700**		**68,276,571.16**	**818,940,231.08**						**887,216,802.24**

All amounts are expressed in K EUR

C. QRT S.05.02.01
PREMIUMS, CLAIMS & EXPENSES BY COUNTRY

Country	R0015	BELGIUM	DENMARK	SPAIN	FRANCE	Home country	Total Top 5 and home country
		Country *(by amount of gross premiums written)* - life obligations	Country *(by amount of gross premiums written)* - life obligations	Country *(by amount of gross premiums written)* - life obligations	Country *(by amount of gross premiums written)* - life obligations	Country *(by amount of gross premiums written)* - life obligations	Country *(by amount of gross premiums written)* - life obligations
		C0230	C0230	C0230	C0230	C0230	C0230
Premiums written							
Gross	R1410	226,337,962.00	61,491,594.00	245,958,099.00	252,222,033.00	5,191,234.00	791,200,922.00
Reinsurers' share	R1420	915,290.22	0	0	0	0	915,290.22
Net	R1500	225,422,671.78	61,491,594.00	245,958,099.00	252,222,033.00	5,191,234.00	790,285,631.78
Premiums earned							
Gross	R1510	226,337,962.00	61,491,594.00	245,958,099.00	252,222,033.00	5,191,234.00	791,200,922.00
Reinsurers' share	R1520	915,290.22	0	0	0	0	915,290.22
Net	R1600	225,422,671.78	61,491,594.00	245,958,099.00	252,222,033.00	5,191,234.00	790,285,631.78
Claims incurred							
Gross	R1610	372,831,462.00	29,473,415.00	25,807,597.00	197,291,004.00	35,105,419.00	660,508,897.00
Reinsurers' share	R1620	79,507.00	0	0	0	0	79,507.00
Net	R1700	372,751,955.00	29,473,415.00	25,807,597.00	197,291,004.00	35,105,419.00	660,429,390
Changes in other technical provisions							
Gross	R1710	182,400,318.74	46,013,635.20	238,098,187.00	2,094,968,719.61	-14,812,809.69	2,546,668,050.85
Reinsurers' share	R1720	0	0	0	0	0	0
Net	R1800	182,400,318.74	46,013,635.20	238,098,187.00	2,094,968,719.61	-14,812,809.69	2,546,668,050.85
Expenses incurred	**R1900**	**30,167,758.09**	**3,735,731.73**	**12,774,594.78**	**21,307,024.37**	**1,220,523.47**	**69,205,632.45**
Other expenses	**R2500**						**0**
Total expenses	**R2600**	**30,167,758.09**	**3,735,731.73**	**12,774,594.78**	**21,307,024.37**	**1,220,523.47**	**69,205,632.45**

C. QRT S.05.02.01
PREMIUMS, CLAIMS & EXPENSES BY COUNTRY

		Home country (LU)	BE	ES	FR	DK	Total
		C0220	C0230	C0230	C0230	C0230	C0280
Premiums written							
Gross	R1410	5,191,234.00	226,337,962.00	245,958,099.00	252,222,033.00	61,491,594.00	791,200,922.00
Reinsurers' share	R1420	0	915,290.22	0	0	0	915,290.22
Net	R1500	5,191,234.00	225,422,671.78	245,958,099.00	252,222,033.00	61,491,594.00	790,285,631.78
Premiums earned							
Gross	R1510	5,191,234.00	226,337,962.00	245,958,099.00	252,222,033.00	61,491,594.00	791,200,922.00
Reinsurers' share	R1520	0	915,290.22	0	0	0	915,290.22
Net	R1600	5,191,234.00	225,422,671.78	245,958,099.00	252,222,033.00	61,491,594.00	790,285,631.78
Claims incurred							
Gross	R1610	35,105,419.00	372,831,462.00	25,807,597.00	197,291,004.00	29,473,415.00	660,508,897.00
Reinsurers' share	R1620	0	79,507.00	0	0	0	79,507.00
Net	R1700	35,105,419.00	372,751,955.00	25,807,597.00	197,291,004.00	29,473,415.00	660,429,390
Changes in other technical provisions							
Gross	R1710	-14,812,809.69	182,400,318.74	238,098,187.00	2,094,968,719.61	46,013,635.20	2,546,668,050.85
Reinsurers' share	R1720	0	0	0	0	0	0
Net	R1800	-14,812,809.69	182,400,318.74	238,098,187.00	2,094,968,719.61	46,013,635.20	2,546,668,050.85
Expenses incurred	**R1900**	**1,220,523.47**	**30,167,758.09**	**12,774,594.78**	**21,307,024.37**	**3,735,731.73**	**69,205,632.45**
Other expenses	**R2500**						
Total expenses	**R2600**	**1,220,523.47**	**30,167,758.09**	**12,774,594.78**	**21,307,024.37**	**3,735,731.73**	**69,205,632.45**

D. QRT S.12.01.02
LIFE & HEALTH SLT TECHNICAL PROVISIONS

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	**R0010**																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	**R0020**																				
Technical provisions calculated as a sum of BE and RM																					
Best Estimate																					
Gross Best Estimate	R0030	474,604,090.69		6,889,430,921.30											7,364,035,011.99						
Total recoverables from reinsurance/SPV and Finite Re before the adjustment for expected losses due to counterparty default	R0040																				
Recoverables from reinsurance (except SPV and Finite Re) before adjustment for expected losses	R0050																				
Recoverables from SPV before adjustment for expected losses	R0060																				
Recoverables from Finite Re before adjustment for expected losses	R0070																				
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080																				
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	474,604,090.69		6,889,430,921.30											7,364,035,011.99						
Risk Margin	R0100	4,949,604.71	37,723,225.04												42,672,829.75						
Amount of the transitional on Technical Provisions																					

D. QRT S.12.01.02
LIFE & HEALTH SLT TECHNICAL PROVISIONS

			Index-linked and unit-linked insurance			Other life insurance				Accepted reinsurance						Health insurance (direct business)					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations		Insurance with profit participation	Index linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life accepted insurance contracts and relating to insurance obligation other than health insurance obligations	Total (Life other than health insurance, incl. Unit-Linked)		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180	C0190	C0200	C0210
Technical Provisions calculated as a whole	R0110																				
Best estimate	R0120																				
Risk margin	R0130																				
Technical provisions - total	**R0200**	**479,553,695.40**	**6,927,154,146.34**												**7,406,707,841.74**						
Technical provisions minus recoverables from reinsurance/SPV and Finite Re - total	**R0210**	**479,553,695.40**	**6,927,154,146.34**												**7,406,707,841.74**						
Best Estimate of products with a surrender option	**R0220**	**471,720,303.29**	**6,889,430,921.30**												**7,361,151,224.59**						
Gross BE for Cash flow																					
Cash out-flows																					
Future guaranteed and discretionary benefits	R0230		1,237,961,740.17												1,669,559,845.90						
Future guaranteed benefits	R0240	400,563,404.51																			
Future discretionary benefits	R0250	31,034,701.22																			
Future expenses and other cash out-flows	R0260	43,005,984.96	589,548,316.23												632,554,301.19						
Cash in-flows															0						
Future premiums	R0270	0	0																		
Other cash in-flows	R0280	0	361,756,108.14												361,756,108.14						
Percentage of gross Best Estimate calculated using approximations	**R0290**	**0.000002621**	**0.01**																		
Surrender value	**R0300**	**454,377,865.81**	**7,007,497,599.25**												**7,461,875,465.06**						
Best estimate subject to transitional of the interest rate	**R0310**																				
Technical provisions without transitional on interest rate	**R0320**																				
Best estimate subject to volatility adjustment	**R0330**	**447,382,959.82**	**1,578,432,304.22**												**2,025,815,264.04**						
Technical provisions without volatility adjustment and without others transitional measures	**R0340**	**454,320,553.50**	**1,590,246,561.08**												**2,044,567,114.58**						
Best estimate subject to matching adjustment	**R0350**																				
Technical provisions without matching adjustment and without all the others	**R0360**																				

E - QRT S.22.01 – IMPACT OF LONG TERM GUARANTEES MEASURES AND TRANSITIONALS

		Amount with Long Term Guarantee measures and transitionals	Impact of the LTG measures and transitionals (Step-by-step approach)								
			Without transitional on technical provisions	Impact of transitional on technical provisions	Without transitional on interest rate	Impact of transitional on interest rate	Without volatility adjustment and without other transitional measures	Impact of volatility adjustment set to zero	Without matching adjustment and without all the others	Impact of matching adjustment set to zero	Impact of all LTG measures and transitionals
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions	R0010	7,406,707,841.74	7,406,707,841.74	0	7,406,707,841.74	0	7,408,813,354.53	2,105,512.79	7,408,813,354.53	0	2,105,512.79
Basic own funds	R0020	191,390,501.03	191,390,501.03	0	191,390,501.03	0	189,992,613.77	-1,397,887.26	189,992,613.77	0	-1,397,887.26
Excess of assets over liabilities	R0030	184,971,139.34	184,971,139.34	0	184,971,139.34	0	183,573,252.08	-1,397,887.26	183,573,252.08	0	-1,397,887.26
Restricted own funds due to ring-fencing and matching portfolio	R0040	0	0	0	0	0	0	0	0	0	0
Eligible own funds to meet Solvency Capital Requirement	R0050	191,390,501.03	191,390,501.03	0	191,390,501.03	0	189,992,613.77	-1,397,887.26	189,992,613.77	0	-1,397,887.26
Tier 1	R0060	191,390,501.03	191,390,501.03	0	191,390,501.03	0	189,992,613.77	-1,397,887.26	189,992,613.77	0	-1,397,887.26
Tier 2	R0070	0	0	0	0	0	0	0	0	0	0
Tier 3	R0080	0	0	0	0	0	0	0	0	0	0
Solvency Capital Requirement	R0090	137,455,250.69	137,455,250.69	0	137,455,250.69	0	138,440,439.13	985,188.44	138,440,439.13	0	985,188.44
Eligible own funds to meet Minimum Capital Requirement	R0100	191,390,501.03	191,390,501.03	0	191,390,501.03	0	189,992,613.77	-1,397,887.26	189,992,613.77	0	-1,397,887.26
Minimum Capital Requirement	R0110	61,854,862.81	61,854,862.81	0	61,854,862.81	0	62,298,197.61	443,334.80	62,298,197.61	0	443,334.80

F. QRT S.23.01.01
OWN FUNDS

Own funds

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	50,200,525.00	50,200,525.00		0	
Share premium account related to ordinary share capital	R0030	20,520,270.80	20,520,270.80		0	
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	0	0		0	
Subordinated mutual member accounts	R0050	0		0	0	0
Surplus funds	R0070	0	0			
Preference shares	R0090	0		0	0	0
Share premium account related to preference shares	R0110	0		0	0	0
Reconciliation reserve	R0130	113,250,343.54	113,250,343.54			
Subordinated liabilities	R0140	7,419,361.69		7,419,361.69	0	0
An amount equal to the value of net deferred tax assets	R0160	0				0
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180	0	0	0	0	0

F. QRT S.23.01.01
OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220	0				
Deductions						
Deductions for participations in financial and credit institutions	R0230	0	0	0	0	0
Total basic own funds after deductions	R0290	191,390,501.03	183,971,139.34	7,419,361.69	0	0
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300	0			0	
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310	0			0	
Unpaid and uncalled preference shares callable on demand	R0320	0			0	0
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330	0			0	0

F. QRT S.23.01.01
OWN FUNDS

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340	0			0	
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350	0			0	0
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360	0			0	
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370	0			0	0
Other ancillary own funds	R0390	0			0	0
Total ancillary own funds	R0400	0			0	0
Available and eligible own funds						
Total available own funds to meet the SCR	R0500	191,390,501.03	183,971,139.34	7,419,361.69	0	0
Total available own funds to meet the MCR	R0510	191,390,501.03	183,971,139.34	7,419,361.69	0	
Total eligible own funds to meet the SCR	R0540	191,390,501.03	183,971,139.34	7,419,361.69	0	0
Total eligible own funds to meet the MCR	R0550	191,390,501.03	183,971,139.34	7,419,361.69	0	
SCR	R0580	137,455,250.69				
MCR	R0600	61,854,862.81				
Ratio of Eligible own funds to SCR	R0620	1.39				
Ratio of Eligible own funds to MCR	R0640	3.09				

Reconciliation reserve

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	184,971,139.3
Own shares (held directly and indirectly)	R0710	0
Foreseeable dividends, distributions and charges	R0720	1,000,000
Other basic own fund items	R0730	70,720,795.8
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	0
Reconciliation reserve	**R0760**	**113,250,343.5**
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	0
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	0
Total Expected profits included in future premiums (EPIFP)	**R0790**	**0**

H – QRT S.25.01.01(A,S) - SOLVENCY CAPITAL REQUIREMENT - FOR UNDERTAKINGS ON STANDARD FORMULA

Basic Solvency Capital Requirement

Article 112	Z0011	No

		Net solvency capital requirement	Gross solvency capital requirement	Allocation from adjustments due to RFF and Matching adjustments portfolios
		C0030	C0040	C0050
Market risk	R0010	78,318,477.15	86,595,403.19	
Counterparty default risk	R0020	10,111,237.80	10,111,237.80	
Life underwriting risk	R0030	80,364,058.05	85,375,763.92	
Health underwriting risk	R0040			
Non-life underwriting risk	R0050			
Diversification	R0060	-39,783,554.16	-42,597,577.49	
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	129,010,218.84	139,484,827.41	

Calculation of Solvency Capital Requirement

Article 112	Z0011	No

		Value
		C0100
Adjustment due to RFF/MAP nSCR aggregation	R0120	
Operational risk	R0130	9,555,193.12
Loss-absorbing capacity of technical provisions	R0140	-10,474,608.58
Loss-absorbing capacity of deferred taxes	R0150	-1,110,161.26
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	137,455,250.69
Capital add-on already set	R0210	
Solvency capital requirement	R0220	137,455,250.69

H – QRT S.25.01.01(A,S) - SOLVENCY CAPITAL REQUIREMENT - FOR UNDERTAKINGS ON STANDARD FORMULA

		Value
		C0100
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Method used to calculate the adjustment due to RFF/ MAP nSCR aggregation	R0450	No adjustment
Net future discretionary benefits	R0460	32,651,642.60

Approach to tax rate

Article 112	Z0013	No

		Yes/No
		C0109
Approach based on average tax rate	R0590	Approach not based on average tax rate

Calculation of loss absorbing capacity of deferred taxes

Article 112	Z0014	No

		Before the shock	After the shock
		C0110	C0120
DTA	R0600		
DTA carry forward	R0610		
DTA due to deductible temporary differences	R0620		
DTL	R0630	1,110,161.264	0
LAC DT	R0640		
LAC DT justified by reversion of deferred tax liabilities	R0650		
LAC DT justified by reference to probable future taxable economic profit	R0660		
LAC DT justified by carry back, current year	R0670		
LAC DT justified by carry back, future years	R0680		
Maximum LAC DT	R0690		

Calculation of loss absorbing capacity of deferred taxes

Article 112	Z0015	No

		LAC DT
		C0130
DTA	R0600	
DTA carry forward	R0610	
DTA due to deductible temporary differences	R0620	
DTL	R0630	
LAC DT	R0640	-1,110,161.264
LAC DT justified by reversion of deferred tax liabilities	R0650	
LAC DT justified by reference to probable future taxable economic profit	R0660	-1,110,161.264
LAC DT justified by carry back, current year	R0670	
LAC DT justified by carry back, future years	R0680	
Maximum LAC DT	R0690	

I – QRT S.28.01.01(A,S) - MINIMUM CAPITAL REQUIREMENT - ONLY LIFE OR ONLY NON-LIFE INSURANCE OR REINSURANCE ACTIVITY

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	62,936,587.97

Total capital at risk for all life (re)insurance obligations

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210	441,633,263.6	
Obligations with profit participation - future discretionary benefits	R0220	32,970,827.11	
Index-linked and unit-linked insurance obligations	R0230	6,889,430,921	
Other life (re)insurance and health (re)insurance obligations	R0240	0	
Total capital at risk for all life (re)insurance obligations	R0250		120,891,108.7

Overall MCR calculation

		C0070
Linear MCR	R0300	62,936,587.97
SCR	R0310	137,455,250.7
MCR cap	R0320	61,854,862.81
MCR floor	R0330	34,363,812.67
Combined MCR	R0340	61,854,862.81
Absolute floor of the MCR	R0350	3,700,000
Minimum Capital Requirement	R0400	61,854,862.81

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